



Claire McCaskill

Missouri State Auditor

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September 2006

Scott County, Missouri

Years Ended

December 31, 2005 and 2004



Office Of  
Missouri State Auditor  
Claire McCaskill

September 2006

**IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every 4 years in counties, like Scott, that do not have a county auditor. In addition to a financial audit of various county operating funds, the State Auditor's statutory audit covers additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.**

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Actual expenditures exceeded the budgeted amounts in various funds and the minutes showed no documentation of discussion of budget status. In addition, fuel usage and operating costs are not adequately monitored, and reviews are not documented.

In the Collector's office, monthly liability listings are not prepared and reconciled with cash balances. A comparison of various dates' reconciled bank balance to identified liabilities showed fluctuating unidentified balances.

In the Circuit Clerk's office, open items exceeded reconciled cash balances by approximately \$5,140 at December 31, 2005, because monies were transferred from the fee account to the jury account to pay jury fees, instead of obtaining reimbursement from the county. At December 31, 2005 and 2004, the balance in the fee account plus the amount due from the jury account, exceeded the open items by approximately \$10,860 more than the old unidentified open items of approximately \$17,300 being carried in the fee account. In addition, deposits were not made on a timely basis, and checks and money orders were not restrictively endorsed immediately upon receipt.

In the Sheriff's office, receipt slips issued for some monies received are not prenumbered, monies received are not always deposited in a timely manner, and not all disbursements are made by check. In addition, the Sheriff's Office does not maintain a bank account for the deposit of inmate funds and monies from the DARE Fund were not accounted for properly. Some seized property items are not always tagged, access to seized property is not adequately restricted, and the disposition of some items is questionable. Also, adequate mileage logs were not maintained for some vehicles.

The Prosecuting Attorney's Office does not deposit monies in a timely manner and some money orders are not restrictively endorsed immediately upon receipt. In addition, open items listings are not prepared and reconciled with cash balances, outstanding checks are not properly investigated and receipt slips are not issued for some monies received.

In the Associate Court, some monies are not deposited in a timely manner, checks and money orders are not restrictively endorsed immediately upon receipt, and monies received are not maintained in a secure location. In addition, the Associate Clerk's Office

YELLOW SHEET

has not established procedures to routinely follow-up on outstanding checks, and to ensure accrued costs are adequately identified and pursued.

The county and Health Center do not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained several errors and omissions. Expenditures were understated by \$58,168 and by \$157,865 for the years ended December 31, 2005 and 2004, respectively.

The Health Center Board approved disbursements in excess of budgeted amounts. In addition, the Health Center does not issue prenumbered receipt slips for some monies received, receipt slips issued do not always indicate the method of payment received, the composition of the receipt slips is not reconciled to deposits, and receipts are not posted to the accounting records on a timely basis or deposited in a timely manner.

The Senate Bill 40 Board approved disbursements in excess of budgeted amounts by approximately \$265,200 and did not enter into contractual agreements with some entities.

Another area where concerns were noted related to computer controls. In addition, the audit included recommendations to the Recorder and the Public Administrator.

**All reports are available on our Web site: [www.auditor.mo.gov](http://www.auditor.mo.gov)**

SCOTT COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL  
STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, AND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the County Commission  
and  
Officeholders of Scott County, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scott County, Missouri, as of and for the years ended December 31, 2005 and 2004, which collectively comprise the county's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed more fully in Note 1, the county prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Scott County, Missouri, as of December 31, 2005 and 2004, and the respective changes in financial position—cash basis thereof for the years then ended in conformity with the basis of accounting discussed in Note 1.

As discussed more fully in Note 1, for the years ended December 31, 2005 and 2004, the county implemented applicable provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*; Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*. The implementation of these Statements resulted in significant changes in the format and contents of the basic financial statements and other information in the county's financial report. The county also implemented the provisions of Statement No. 40, *Deposit and Investment Risk Disclosures*.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 15, 2006, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Schedule of Funding Progress for Missouri Local Government Employees Retirement System, and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements, that collectively comprise the county's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Scott County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill  
State Auditor

June 15, 2006 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA  
Audit Manager: Debra S. Lewis, CPA  
In-Charge Auditors: Tsetsegsaikhan (Flower) Chadraabal  
Jeffrey Wilson  
Julie Moore  
Audit Staff: Carrie Koprowski



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Scott County, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scott County, Missouri, as of and for the years ended December 31, 2005 and 2004, which collectively comprise the county's basic financial statements, and have issued our report thereon dated June 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Scott County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Scott County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Scott County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill  
State Auditor

June 15, 2006 (fieldwork completion date)

## Management's Discussion and Analysis

SCOTT COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2005 AND 2004

This discussion and analysis of Scott County's financial performance provides an overview of the county's financial activity for the years ended December 31, 2005 and 2004. The information below, prepared by the county's management, should be read in conjunction with the county's financial statements that immediately follow.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The contents of this report comply with the presentation requirements of Statement No. 34 of the Governmental Accounting Standards Board, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

#### Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities—activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental revenues. The county has no business-like activities—activities financed wholly or partially by fees charged to external parties for goods or services.

#### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and

manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other revenue sources. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

### The County as Trustee

The county is the trustee, or fiduciary, for its trust and agency funds that are used to account for assets held by the county's elected officials in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The county's fiduciary assets are reported in a separate Fiduciary Funds Statement of Net Assets. Fiduciary funds are excluded from the county's other financial statements because the county cannot use these assets to finance its operations. The county is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### Other Information

The report also includes as required supplementary information this Management's Discussion and Analysis, the Schedule of Funding Progress for Missouri Local Government Employees Retirement System, and the Budgetary Comparison Schedule - General Fund and Major Special Revenue Funds - Cash Basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the History, Organization, and Statistical Information.

### FINANCIAL HIGHLIGHTS

- The County's total governmental funds expenses exceeded total revenues by \$230,655 in 2005 and \$414,865 in 2004.
- The County's governmental funds ended 2005 with a Combined Cash Balance of \$3,120,275 and 2004 with \$3,350,930.

## THE COUNTY AS A WHOLE

	Year Ended December 31,	
	2005	2004
Net Assets	\$ 3,120,275	3,350,930
Program Receipts	3,741,977	3,346,864
General Receipts	5,140,965	4,938,692
Disbursements	9,113,597	8,700,421
Change in Cash Balances	(230,655)	(414,865)

For the two years disclosed in this audit, you can see that the Net Assets decreased each year. Due to County policy, the County does not use long-term debt such as Lease Purchases or Loans to procure new equipment. These types of purchases are paid for with cash reserves and appear on the Financial Statements as expense.

## THE COUNTY'S FUNDS

### General Fund Budgetary Highlights

There were no significant changes in the budget for 2005.

General Revenue Fund - the 2004 final budget had an increase of \$425,620 for expenditures from the original budget due to renovations in the Courthouse.

General Revenue Fund - ending cash balance of \$1,237,399 in 2005 compared to \$1,043,108 in 2004 is mainly due to the State refunding board of prisoners and more grants issued.

Special Road and Bridge Fund - ending cash balance of \$61,789 in 2005 was significantly less than the balance of \$276,437 in 2004, due to the purchase of equipment and more paving and ditching projects paid by the County instead of grants as in 2004.

## CAPITAL ASSET AND DEBT ADMINISTRATION

There were no significant changes in the county's capital assets.

At the year-end of 2005, the County had the following long-term debt:

The citizens of Scott County approved a ½% sales tax in 2000 to build a new jail. The bond was for 8 years in the amount of \$4,995,000. Remaining payments on the bond equal \$2,273,342 at the end of 2005 and \$2,989,564 at the end of 2004.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The increase costs of fuel and utilities to operate machinery, vehicles and buildings have increased dramatically for a couple of years now. If this continues, budgets will have to be increased coming from the General Revenue Fund. The Scott County Communication Center continues to grow due to the increase of calls which requires more personnel to manage this department. The State or County may need to look at passing a sales tax to include cell phones to help fund the Scott County Communication Center or the General Revenue Fund will have to pick up this expense. The property tax rates set for the General Revenue Fund and the Special Road and Bridge Fund will remain around the same as in the past due to the assessed valuation. Unless voters renew the Law Enforcement Sales Tax, the County will have to be very frugal with budgets.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

Questions about this report or requests for additional information should be addressed to the Rita Milam, Scott County Clerk, PO Box 188, Benton, MO 63736, (573) 545-3549.

## Basic Financial Statements

Government-Wide Financial Statements

Exhibit A-1

SCOTT COUNTY, MISSOURI  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ <u>3,120,275</u>
Total Assets	<u>3,120,275</u>
<b>NET ASSETS</b>	
Restricted	1,882,876
Unrestricted	<u>1,237,399</u>
Total Net Assets	<u>\$ <u>3,120,275</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

SCOTT COUNTY, MISSOURI  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ <u>3,350,930</u>
Total Assets	<u>3,350,930</u>
NET ASSETS	
Restricted	2,307,822
Unrestricted	<u>1,043,108</u>
Total Net Assets	<u>\$ <u>3,350,930</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-1

SCOTT COUNTY, MISSOURI  
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS  
 YEAR ENDED DECEMBER 31, 2005

		<u>Program Receipts</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Intergovernmental</u>	<u>Primary Governmental Activities</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
General county government	\$ 2,239,717	804,658	1,331,811	(103,248)
Roads and bridges	1,326,255	46,000	548,411	(731,844)
Public safety	3,427,894	166,283	275,492	(2,986,119)
Health and welfare	1,362,600	232,686	336,636	(793,278)
Debt service	745,359	0	0	(745,359)
Other	11,772	0	0	(11,772)
	0			0
Total Governmental Activities	<u>9,113,597</u>	<u>1,249,627</u>	<u>2,492,350</u>	<u>(5,371,620)</u>
Total Primary Government	<u>\$ 9,113,597</u>	<u>1,249,627</u>	<u>2,492,350</u>	<u>(5,371,620)</u>
<b>GENERAL RECEIPTS</b>				
Taxes				
Property taxes				1,464,529
Sales taxes				3,239,635
Telephone tax				205,528
Interest				130,954
Other				100,319
Total General Receipts				<u>5,140,965</u>
Change in Cash Balances				(230,655)
NET ASSETS, JANUARY 1				<u>3,350,930</u>
NET ASSETS, DECEMBER 31				<u>\$ 3,120,275</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-2

SCOTT COUNTY, MISSOURI  
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS  
 YEAR ENDED DECEMBER 31, 2004

		<u>Program Receipts</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Intergovernmental</u>	<u>Primary Governmental Activities</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
General county government	\$ 2,162,387	789,958	787,949	(584,480)
Roads and bridges	1,506,439	53,000	824,422	(629,017)
Public safety	3,216,841	117,630	231,999	(2,867,212)
Health and welfare	1,138,843	240,082	301,824	(596,937)
Debt service	668,047	0	0	(668,047)
Other	7,864	0	0	(7,864)
	0			0
Total Governmental Activities	<u>8,700,421</u>	<u>1,200,670</u>	<u>2,146,194</u>	<u>(5,353,557)</u>
Total Primary Government	<u>\$ 8,700,421</u>	<u>1,200,670</u>	<u>2,146,194</u>	<u>(5,353,557)</u>
<b>GENERAL RECEIPTS</b>				
Taxes				
Property taxes				1,436,414
Sales taxes				3,148,888
Telephone tax				237,810
Interest				75,209
Other				40,371
				0
Total General Receipts				<u>4,938,692</u>
Change in Cash Balances				(414,865)
NET ASSETS, JANUARY 1				<u>3,765,795</u>
NET ASSETS, DECEMBER 31				<u>\$ 3,350,930</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Fund Financial Statements

Exhibit C-1

SCOTT COUNTY, MISSOURI  
 GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS  
 DECEMBER 31, 2005

	General Revenue Fund	Special Road and Bridge Fund	Law Enforcement Sales Tax Fund	Housing and County Development Fund	Scott County Communications Center Fund	Health Center Fund	Senate Bill 40 Board Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash	\$ 1,237,399	61,789	250	610,591	198,429	259,449	214,843	537,525	3,120,275
Total Assets	\$ 1,237,399	61,789	250	610,591	198,429	259,449	214,843	537,525	3,120,275
<b>FUND BALANCES</b>									
Unreserved	\$ 1,237,399	0	0	0	0	0	0	0	1,237,399
Unreserved special revenue funds	0	61,789	250	610,591	198,429	259,449	214,843	0	1,345,351
Unreserved reported in nonmajor funds	0	0	0	0	0	0	0	537,525	537,525
Total Fund Balances	\$ 1,237,399	61,789	250	610,591	198,429	259,449	214,843	537,525	3,120,275

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C-2

SCOTT COUNTY, MISSOURI  
 GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS  
 DECEMBER 31, 2004

	General Revenue Fund	Special Road and Bridge Fund	Law Enforcement Sales Tax Fund	Housing and County Development Fund	Scott County Communications Center Fund	Health Center Fund	Senate Bill 40 Board Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash	\$ 1,043,108	276,437	273	623,805	350,973	151,255	490,998	414,081	3,350,930
Total Assets	\$ <u>1,043,108</u>	<u>276,437</u>	<u>273</u>	<u>623,805</u>	<u>350,973</u>	<u>151,255</u>	<u>490,998</u>	<u>414,081</u>	<u>3,350,930</u>
<b>FUND BALANCES</b>									
Unreserved	\$ 1,043,108	0	0	0	0	0	0	0	1,043,108
Unreserved special revenue funds	0	276,437	273	623,805	350,973	151,255	490,998	0	1,893,741
Unreserved reported in nonmajor funds	0	0	0	0	0	0	0	414,081	414,081
Total Fund Balances	\$ <u>1,043,108</u>	<u>276,437</u>	<u>273</u>	<u>623,805</u>	<u>350,973</u>	<u>151,255</u>	<u>490,998</u>	<u>414,081</u>	<u>3,350,930</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D-1

SCOTT COUNTY, MISSOURI  
 GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES  
 YEAR ENDED DECEMBER 31, 2005

	General Revenue Fund	Special Road and Bridge Fund	Law Enforcement Sales Tax Fund	Housing and County Development Fund	Scott County Communications Center Fund	Health Center Fund	Senate Bill 40 Board Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>									
Property taxes	\$ 390,896	499,389	0	0	0	378,526	154,502	41,216	1,464,529
Sales taxes	1,622,224	0	1,617,411	0	0	0	0	0	3,239,635
Telephone tax	0	0	0	0	205,528	0	0	0	205,528
Intergovernmental	925,232	548,411	0	0	72,100	336,431	205	609,971	2,492,350
Charges for services	698,505	46,000	8,980	0	18,458	219,761	0	257,923	1,249,627
Interest	52,568	11,193	1,916	18,731	10,242	2,146	13,099	21,059	130,954
Other	3,461	6,614	5,692	0	510	72,720	1,808	9,514	100,319
<b>Total Receipts</b>	<b>3,692,886</b>	<b>1,111,607</b>	<b>1,633,999</b>	<b>18,731</b>	<b>306,838</b>	<b>1,009,584</b>	<b>169,614</b>	<b>939,683</b>	<b>8,882,942</b>
<b>DISBURSEMENTS</b>									
General county government	1,678,779	0	0	31,945	0	0	0	528,993	2,239,717
Roads and bridges	0	1,326,255	0	0	0	0	0	0	1,326,255
Public safety	515,116	0	2,210,167	0	430,632	0	0	271,979	3,427,894
Health and welfare	2,180	0	0	0	0	901,390	445,769	13,261	1,362,600
Debt service	0	0	745,359	0	0	0	0	0	745,359
Other	0	0	0	0	0	0	0	11,772	11,772
<b>Total Disbursements</b>	<b>2,196,075</b>	<b>1,326,255</b>	<b>2,955,526</b>	<b>31,945</b>	<b>430,632</b>	<b>901,390</b>	<b>445,769</b>	<b>826,005</b>	<b>9,113,597</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>1,496,811</b>	<b>(214,648)</b>	<b>(1,321,527)</b>	<b>(13,214)</b>	<b>(123,794)</b>	<b>108,194</b>	<b>(276,155)</b>	<b>113,678</b>	<b>(230,655)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	29,940	0	1,321,504	0	0	0	0	17,816	1,369,260
Transfers out	(1,332,460)	0	0	0	(28,750)	0	0	(8,050)	(1,369,260)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,302,520)</b>	<b>0</b>	<b>1,321,504</b>	<b>0</b>	<b>(28,750)</b>	<b>0</b>	<b>0</b>	<b>9,766</b>	<b>0</b>
<b>NET CHANGE IN CASH BALANCES</b>	<b>194,291</b>	<b>(214,648)</b>	<b>(23)</b>	<b>(13,214)</b>	<b>(152,544)</b>	<b>108,194</b>	<b>(276,155)</b>	<b>123,444</b>	<b>(230,655)</b>
<b>CASH BALANCES, JANUARY 1</b>	<b>1,043,108</b>	<b>276,437</b>	<b>273</b>	<b>623,805</b>	<b>350,973</b>	<b>151,255</b>	<b>490,998</b>	<b>414,081</b>	<b>3,350,930</b>
<b>CASH BALANCES, DECEMBER 31</b>	<b>\$ 1,237,399</b>	<b>61,789</b>	<b>250</b>	<b>610,591</b>	<b>198,429</b>	<b>259,449</b>	<b>214,843</b>	<b>537,525</b>	<b>3,120,275</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D-2

SCOTT COUNTY, MISSOURI  
 GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES  
 YEAR ENDED DECEMBER 31, 2004

	General Revenue Fund	Special Road and Bridge Fund	Law Enforcement Sales Tax Fund	Housing and County Development Fund	Scott County Communications Center Fund	Health Center Fund	Senate Bill 40 Board Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>									
Property taxes	\$ 378,914	466,297	0	0	0	403,845	148,043	39,315	1,436,414
Sales taxes	1,577,004	0	1,571,884	0	0	0	0	0	3,148,888
Telephone tax	0	0	0	0	237,810	0	0	0	237,810
Intergovernmental	487,099	696,892	0	0	440	301,362	462	659,939	2,146,194
Charges for services	681,749	53,000	0	0	17,500	228,028	0	220,393	1,200,670
Interest	29,283	7,280	655	9,897	5,890	3,913	8,143	10,148	75,209
Other	765	5,258	16,953	0	0	7,514	0	9,881	40,371
<b>Total Receipts</b>	<b>3,154,814</b>	<b>1,228,727</b>	<b>1,589,492</b>	<b>9,897</b>	<b>261,640</b>	<b>944,662</b>	<b>156,648</b>	<b>939,676</b>	<b>8,285,556</b>
<b>DISBURSEMENTS</b>									
General county government	1,740,080	0	0	161	0	0	0	422,146	2,162,387
Roads and bridges	0	1,378,909	0	0	0	0	0	127,530	1,506,439
Public safety	461,310	0	2,184,144	0	220,865	0	0	350,522	3,216,841
Health and welfare	2,425	0	0	0	0	999,333	125,073	12,012	1,138,843
Debt service	0	0	668,047	0	0	0	0	0	668,047
Other	0	0	0	0	0	0	0	7,864	7,864
<b>Total Disbursements</b>	<b>2,203,815</b>	<b>1,378,909</b>	<b>2,852,191</b>	<b>161</b>	<b>220,865</b>	<b>999,333</b>	<b>125,073</b>	<b>920,074</b>	<b>8,700,421</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>950,999</b>	<b>(150,182)</b>	<b>(1,262,699)</b>	<b>9,736</b>	<b>40,775</b>	<b>(54,671)</b>	<b>31,575</b>	<b>19,602</b>	<b>(414,865)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	142,323	0	1,262,972	0	0	0	0	42,513	1,447,808
Transfers out	(1,290,580)	0	0	0	(28,600)	0	0	(128,628)	(1,447,808)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,148,257)</b>	<b>0</b>	<b>1,262,972</b>	<b>0</b>	<b>(28,600)</b>	<b>0</b>	<b>0</b>	<b>(86,115)</b>	<b>0</b>
<b>NET CHANGE IN CASH BALANCES</b>	<b>(197,258)</b>	<b>(150,182)</b>	<b>273</b>	<b>9,736</b>	<b>12,175</b>	<b>(54,671)</b>	<b>31,575</b>	<b>(66,513)</b>	<b>(414,865)</b>
<b>CASH BALANCES, JANUARY 1</b>	<b>1,240,366</b>	<b>426,619</b>	<b>0</b>	<b>614,069</b>	<b>338,798</b>	<b>205,926</b>	<b>459,423</b>	<b>480,594</b>	<b>3,765,795</b>
<b>CASH BALANCES, DECEMBER 31</b>	<b>\$ 1,043,108</b>	<b>276,437</b>	<b>273</b>	<b>623,805</b>	<b>350,973</b>	<b>151,255</b>	<b>490,998</b>	<b>414,081</b>	<b>3,350,930</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E-1

SCOTT COUNTY, MISSOURI  
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
DECEMBER 31, 2005

ASSETS

Cash	\$	<u>2,532,081</u>
Total Assets		<u>2,532,081</u>

NET ASSETS

Restricted		2,532,081
Unrestricted		<u>0</u>
Total Net Assets	\$	<u><u>2,532,081</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E-2

SCOTT COUNTY, MISSOURI  
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
DECEMBER 31, 2004

ASSETS

Cash	\$	<u>1,841,998</u>
Total Assets		<u>1,841,998</u>

NET ASSETS

Restricted		1,841,998
Unrestricted		<u>0</u>
Total Net Assets	\$	<u><u>1,841,998</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

SCOTT COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

As Note 1.C. discusses further, the accompanying financial statements of Scott County, Missouri, are presented in conformity with the cash basis of accounting, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles for state and local governments. The significant accounting policies related to those principles and used by the county are described below.

A. Reporting Entity

A financial reporting entity consists of (1) the primary government, (2) component units, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. The primary government of Scott County consists of all funds, departments, offices, or organizations that are not legally separate from the county.

Component units are legally separate organizations for which the county government is financially accountable. The county is financially accountable for an organization if the county appoints a voting majority of the organization's governing board and (1) is able to significantly influence the programs or services provided or performed by the organization or (2) is legally entitled to and or can otherwise access the organization's resources; is legally obligated for or has otherwise assumed the obligation to finance the organization's deficits or provide financial support to it; or is obligated in some manner for the organization's debt. Component units also may include organizations that are fiscally dependent on the county because their budgets, tax levies, or debt issuances are approved by the county.

Based on application of the above criteria, the county has no component units.

B. Basis of Presentation

1. Government-Wide Financial Statements

The government-wide financial statements display information about the county as a whole. These statements include the financial activities of the primary government, except for the activities of fiduciary funds. The primary government's financial activities are required to be classified as governmental or business-like. Governmental activities generally are financed through taxes, intergovernmental receipts, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees

charged to external parties for goods or services. For the years ended December 31, 2005 and 2004, the county had only governmental activities.

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct disbursements and program receipts for each program or function of the county's governmental activities. Direct disbursements are specifically associated with and clearly identifiable to a particular function. The county does not allocate indirect costs to those functions. Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Receipts not classified as program receipts, including all taxes, are presented as general receipts. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

## 2. Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts, or disbursements of an individual fund are at least 10 percent of the corresponding element total for all funds of that type, and (c) any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into two categories of funds—governmental and fiduciary. Governmental funds are those through which most governmental functions typically are financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Revenue Fund: The General Fund is the primary operating fund of the county, accounting for all financial resources except those required to be accounted for in another fund.

## Special Revenue Funds

Special Road and Bridge Fund: This fund accounts for property tax collections and other receipts that are legally restricted to disbursements for road and bridge purposes.

Law Enforcement Sales Tax Fund: This fund accounts for sales tax collections that are legally restricted to disbursements for law enforcement purposes.

Housing and Development Fund: This fund accounts for the usage of monies set aside for disbursements related to housing and county development.

Scott County Communications Center Fund: This fund accounts for telephone tax collections that are legally restricted to disbursements for implementing and operating an emergency response system.

Health Center Fund: This fund accounts for property taxes and other monies that are legally restricted to disbursements for public health and welfare purposes.

Senate Bill 40 Board Fund: This fund accounts for property taxes and other monies that are legally restricted to disbursements for establishing and maintaining a county sheltered workshop, residence facilities, or related services.

The county's nonmajor governmental funds are also special revenue funds.

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's fund which has a fiscal year ending February 28; therefore, financial information for its reporting periods is included in the accompanying Statement of Fiduciary Net Assets.

### C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

The accounting treatment for specific account balances and transaction types is as follows:

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

Inventories and capital assets: Inventories include office, housekeeping, medical and road maintenance supplies. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

Compensated absences: The county provides vacation and sick leave to its employees. Full-time county employees accrue four hours of sick leave per full month of employment. Sick leave can be accumulated up to a maximum of 560 hours. Upon termination, accumulated sick leave from prior to May 31, 2002 will be paid to the employee, but accumulated hours from after this date are not compensated.

Full-time county employees accrue one week vacation leave after the first full year of employment, two weeks after the second full year of employment, three weeks after fifteen years of employment, and four weeks after twenty-five years of employment. Vacation leave must be taken by December 31 of the year in which it is earned or that time is forfeited. Upon termination, unused vacation leave from the current year is paid to the employee.

Part-time employees are not eligible to accumulate vacation or sick leave.

The Health Center provides vacation and sick leave to its employees. Full-time employees accrue 10 hours of sick leave per month for 160 or more hours in active pay status per month, 7.5 hours for 120 to 159 hours in active pay status per month, and 5 hours for 80 to 119 hours in active pay service per month. Employees who have less than 80 hours per month in active pay status are not eligible to earn sick leave. Accumulated sick leave is not paid to the employee upon termination of employment.

Full-time health center employees (160 or more hours per month in active pay status) accrue 10 hours of vacation leave per month for one to 10 years of service, 12 hours per month for 10 to 15 years of service, and 14 hours per month for 15 or more years of service. Employees can accumulate up to 2 years of vacation leave (240 to 336 hours, based on the years of service).

Part-time health center employees earn vacation leave on a sliding scale depending on their hours per month in active pay status and their years of service.

Upon termination, accumulated vacation leave will be paid to the employee.

Vacation and sick leave amounts are reported as disbursements when they are paid. Accrued liabilities related to compensated absences and any employer-related costs earned and unpaid are not reflected in the government-wide or fund financial statements. The county has not restricted any net assets or reserved any fund balance for these commitments.

Other postemployment benefits: The county does not provide postemployment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

Long-term debt: Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principal and interest are reported when disbursements are made.

## D. Accounting Changes

For the years ended December 31, 2005 and 2004, the county implemented applicable provisions of the following GASB Statements:

Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*; Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*: The implementation of these Statements resulted in significant changes in the format and contents of the basic financial statements and other information in the county's financial report. As Note 1.B. discusses, the basic financial statements now include government-wide financial statements that report information for the county as a whole and fund financial statements that focus on major funds. However, as Note 1.C. discusses, because the basic financial statements are prepared on the cash basis of accounting, they exclude certain items and amounts that would be recorded under the bases of accounting prescribed by generally accepted accounting principles for state and local governments. Also, agency funds, a type of fund not reported in the county's prior-period financial statements, are now included in the Statement of Fiduciary Net Assets.

Statement No. 40, *Deposit and Investment Risk Disclosures*: This Statement amends Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. Statement No. 40 revises Statement No. 3's requirements regarding disclosure of custodial credit risk and establishes new requirements for disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

## 2. Deposits and Investments

Disclosures are provided below to comply with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

### Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority under Section 67.085, RSMo, to place excess funds in certificates of deposit. To protect the safety of county deposits, Section 110.020, RSMo, requires depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of state funds and held by either the county, or a financial institution other than the depository bank. Section 67.085, RSMo, also requires certificates

of deposit to be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Scott County will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

The County Treasurer's, Health Center's, and Senate Bill 40 Board's deposits at December 31, 2005 and 2004, and the County Collector's deposits at February 28, 2006 and 2005, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance, by collateral securities held by the county's custodial bank in the county's or the board's name or by an irrevocable standby letter of credit issued by a Federal Home Loan Bank.

### Investments

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. At December 31, 2005 and 2004, the county had no such investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

### 3. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). Collections for other governments and remittances to those governments are accounted for in various County Treasurer's agency funds.

### 4. Defined Benefit Pension Plan

#### Plan Description

Scott County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments in Missouri. The LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. Created and governed by Sections 70.600 through 70.755, RSMo, the system is responsible for administering the law in accordance with the expressed intent of the Missouri General Assembly. The plan is qualified under Internal Revenue Code Section 401(a) and is tax-exempt. The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of the report may be requested from:

Missouri Local Government Employees Retirement System  
P.O. Box 1665  
Jefferson City, MO 65102

Funding Policy

Scott County's full-time employees do not contribute to the pension plan. The county is required to contribute at an actuarially determined rate; the current rate is 9.4 percent (general) and 9.0 percent (law enforcement) of annual covered payroll. The contribution requirements of plan members are determined by the County Commission. The contribution provisions of the county are established by statute.

Annual Pension Cost

For 2005 and 2004, the county's annual pension cost of \$214,213, and \$195,587, respectively, was equal to the county's required and actual contributions. The required contributions were determined, respectively, as part of the February 28, 2004, and February 28, 2003, actuarial valuations using the entry age actuarial cost method.

The actuarial assumptions included (a) an investment rate of return of 7.5 percent per year, compounded annually; (b) projected salary increases of 4 percent per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0 to 4.2 percent per year, depending on age, attributable to seniority or merit; (d) pre-retirement mortality based on the 1983 Group Annuity Mortality Table; and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table projected to 2000, set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 5-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2005, was 15 years.

3-Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2005	\$ 214,213	100 %	\$ 0
2004	195,587	100	0
2003	178,301	100	0

5. Defined Benefit Pension Plan

Plan Description

Scott County contributes to the County Employees' Retirement System (CERS), a mandatory cost-sharing multiple-employer public employee retirement system for Missouri counties, excluding first-class counties with a charter form of government and any city not within a county. The CERS, a defined benefit plan, provides retirement and death benefits to its members and is administered in accordance with Sections 50.1000 through 50.1300, RSMo. Responsibility for the operation and administration of the system is vested in the CERS Board of Directors. The CERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of the report may be requested from:

County Employees' Retirement System  
2121 Schotthill Woods Drive  
Jefferson City, MO 65101

Funding Policy

Before January 1, 2003, members, except for those who participated in the LAGERS, were required to make contributions equal to 2 percent of gross compensation. Effective January 1, 2003, in addition to the prior contribution requirements, members hired on or after February 25, 2002, must contribute 4 percent if they participate in the LAGERS and 6 percent if they do not participate in it. If an employee terminates employment before attaining 8 years of creditable service, the CERS refunds the accumulated contributions to the employee. The contribution rate is set by statute.

In addition, the CERS receives a portion of delinquent property tax penalties, penalties for late filing of personal property tax declarations, a portion of document recording fees, a portion of fees for merchants and manufacturers licenses, and any interest derived from the collection and investment of any part of the penalties and fees. The Office of Secretary of State also collects and remits fees for certain filing transactions to the system.

The county's contributions to the CERS for the years ending December 31, 2005, 2004, and 2003, were \$189,285, \$186,840, and \$176,819, respectively, equal to the required contributions for each year.

6. Defined Contribution and Deferred Compensation Plans

Plan Description

Scott County offers employees the opportunity to participate in the CERS defined contribution plan and Internal Revenue Code (IRC) Section 457 deferred compensation plan. The plans' provisions and contribution requirements are established and may be amended only by the Missouri General Assembly. Pension plan members are eligible to participate.

Contributions

Pension plan members who are not LAGERS members are required to contribute 0.7 percent of gross compensation to the defined contribution plan. Contributions of \$1,800 were made during each of the years ended December 31, 2005 and 2004. Participation in the deferred compensation plan is voluntary, and the employee elects the contribution level, subject to the limitations of IRC Sections 401(a) and 457. The CERS Board of Directors decides if matching contributions from the pension plan trust funds for a calendar year will be made to the defined contribution plan accounts of those who participated in the deferred compensation plan. The amount of any matching contribution is determined by the Board and is limited to 50 percent of a non-LAGERS member's (25 percent of a LAGERS member's) voluntary contributions to the deferred compensation plan, up to 3 percent of the non-LAGERS member's (2.5 percent for the LAGERS member's) compensation. Matching contributions for the years ended December 31, 2005 and 2004, were \$450.

Administration

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian, respectively. The counties send member contributions directly to the third-party administrator. Members have several options for investing their contributions and respective share of matching contributions.

7. Interfund Transfers

Interfund transfers, the flow of assets from one fund to another when repayment is not expected, are reported as transfers in and out. The county made the following interfund transfers:

Year Ended December 31, 2005			
Transfers In:			
	General Revenue Fund	Law Enforcement Sales Tax Fund	Nonmajor Governmental Funds
Transfers Out:			
General Revenue Fund	\$ 0	1,314,644	17,816
Scott County Communications Center Fund	28,750	0	0
Nonmajor Governmental Funds	1,190	6,860	0

Year Ended December 31, 2004

Transfers In:			
	General Revenue Fund	Law Enforcement Sales Tax Fund	Nonmajor Governmental Funds
Transfers Out:			
General Revenue Fund	\$ 0	1,262,972	27,608
Scott County Communications Center Fund	28,600	0	0
Nonmajor Governmental Funds	62,733	0	14,905

Interfund transfers occurred primarily because they were statutorily required or allowed—for example, transfer of an administrative service fee to the General Fund from the Special Road and Bridge Fund or contribution of General Fund monies to the Assessment Fund to pay for assessment and equalization maintenance costs not met by other sources of receipts. The General Fund also contributed monies to certain other funds when fund receipts were insufficient for specific purposes.

8. Prior Period Adjustment

The Health Center Fund's cash balance at January 1, 2003, as previously stated has been decreased by \$5,894 to reflect revisions to the prior years statements by the Health Center.

The Housing and Development Fund's cash balance of \$614,069 at January 1, 2003, was not previously reported but has been added.

The cash balance for other governmental funds at January 1, 2003, as previously stated has been increased by \$130,963 to reflect the following funds not previously included:

Funds	Balance
Economic Development Fund	\$ 5,500
Crime Victim Fund	(1,900)
Juvenile Grant Fund	(23,099)
TIF Fund	3,637
Federal Seizure Fund	18,620
Community Emergency Response Team Fund	(1,396)
Levee District #2 Fund	120,109
Juvenile Restitution Fund	4,992
Law Enforcement State Grant and MOSMART Fund	4,500
Total	\$ <u>130,963</u>

9. Risk Management

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. No significant reductions in coverage were made since December 31, 2001, and settlements have not exceeded coverage in the past 3 years.

The county is a participant in the Missouri Public Entity Risk Management Fund, a body corporate and politic created and governed by Sections 537.700-537.756, RSMo. The purpose of the fund is to provide liability protection to participating public entities and their officials and employees. Annual contributions are collected based on actuarial projections sufficient to pay losses and expenses. Should contributions not be sufficient to meet the fund's obligations, the fund's board can make special assessments. Participants are jointly and severally liable for all claims against the fund.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

10. Related Organizations

The County Commission is responsible for appointing the members of the boards of certain other organizations, but the county's accountability for these organizations does not extend beyond making the appointments. The County Commission appoints the board members of the Levee District #2, Delta Area Economic Opportunity Council Board, Scott County Law Enforcement Restitution Fund Board, Riverside Regional Library Board, Sikeston Area

Higher Education Center Board, SEMO Port Authority Board, Scott County Communication Center Board, Bootheel Solid Waste Board, and the University Extension Council.

11. Jointly Governed Organizations

The county, in conjunction with Mississippi County, New Madrid County and the State Highway Patrol, has created the Midwest High Intensity Drug Traffic Area. Scott County has hired a High Intensity Drug Traffic Area Assistant Prosecuting Attorney. This individual prosecutes all drug related cases for Scott, Mississippi, and New Madrid Counties.

Required Supplementary Information

Schedule 1

SCOTT COUNTY, MISSOURI  
 SCHEDULE OF FUNDING PROGRESS FOR  
 MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)— Entry Age (b)	Unfunded AAL (UAAL) (b-a) or (Excess of Assets over AAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll [(b-a)/c] or (Excess as a Percentage of Covered Payroll) [(a-b)/c]
02/28/05	\$ 3,474,559	\$ 3,109,468	\$ (365,091)	112 %	\$ 2,128,020	18 %
02/29/04	3,630,146	3,390,340	(239,806)	107	2,210,910	11
02/28/03	3,545,768	3,194,787	(350,981)	111	1,998,839	18

See related Note 4 (Defined Benefit Pension Plan) to the financial statements.

Schedule 2

SCOTT COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS - CASH BASIS

	Year Ended December 31,							
	2005				2004			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Cash Basis	Final Budget-- Favorable (Unfavorable)	Original	Final	Cash Basis	Final Budget-- Favorable (Unfavorable)
<b>GENERAL REVENUE FUND</b>								
<b>RECEIPTS</b>								
Property taxes	\$ 384,300	384,300	390,896	6,596	380,300	395,450	378,914	(16,536)
Sales taxes	1,575,000	1,575,000	1,622,224	47,224	1,500,000	1,500,000	1,577,004	77,004
Intergovernmental	707,725	892,155	925,232	33,077	792,992	873,978	487,099	(386,879)
Charges for service	733,375	704,075	698,505	(5,570)	888,340	889,340	681,749	(207,591)
Interest	31,000	54,000	52,568	(1,432)	17,000	17,000	29,283	12,283
Other	8,581	3,266	3,461	195	761	761	765	4
Transfers in	35,750	36,940	29,940	(7,000)	28,600	88,600	142,323	53,723
<b>Total Receipts</b>	<b>3,475,731</b>	<b>3,649,736</b>	<b>3,722,826</b>	<b>73,090</b>	<b>3,607,993</b>	<b>3,765,129</b>	<b>3,297,137</b>	<b>(467,992)</b>
<b>DISBURSEMENTS</b>								
County Commission	101,522	101,522	95,494	6,028	99,600	99,600	93,269	6,331
County Clerk	74,537	74,537	73,421	1,116	69,326	69,326	68,039	1,287
Elections	60,201	60,201	42,024	18,177	100,008	100,008	78,414	21,594
Buildings and grounds	690,000	690,000	480,011	209,989	468,180	878,200	677,451	200,749
Employee fringe benefits	305,000	305,000	266,801	38,199	334,000	334,000	220,735	113,265
County Treasurer	57,094	57,094	53,152	3,942	52,754	52,754	52,449	305
County Collector	120,689	120,689	115,195	5,494	112,346	112,346	110,048	2,298
Recorder of Deeds	104,714	104,714	99,958	4,756	93,232	93,232	90,641	2,591
Circuit Clerk	23,000	13,500	12,175	1,325	8,000	8,000	7,366	634
Associate Circuit Court	12,600	12,600	12,150	450	17,200	17,200	10,904	6,296
Associate Circuit (Probate)	16,100	16,100	13,191	2,909	15,750	20,750	16,081	4,669
Court administration	23,000	23,000	13,094	9,906	23,100	23,100	9,203	13,897
Public Administrator	54,900	54,900	53,669	1,231	48,500	48,500	47,373	1,127
Sheriff	1,556	1,556	1,556	0	0	0	0	0
Prosecuting Attorney	285,720	285,720	284,075	1,645	258,417	258,417	231,548	26,869
Juvenile Officer	130,000	130,000	113,633	16,367	130,000	130,000	114,116	15,884
County Coroner	36,780	36,780	24,890	11,890	33,610	35,610	35,476	134
Emergency Management	37,744	37,744	38,070	(326)	33,660	33,660	33,700	(40)
Prosecuting Attorney Child Support	50,168	59,068	52,892	6,176	50,814	50,814	46,470	4,344
Court reporter	2,160	2,160	1,881	279	2,225	2,225	2,005	220
Health and welfare	5,000	5,000	2,180	2,820	5,000	5,000	2,425	2,575
Other	449,765	489,710	346,563	143,147	396,967	405,567	256,102	149,465
Transfers out	1,487,733	1,492,283	1,332,460	159,823	1,672,048	1,672,048	1,290,580	381,468
Emergency Fund	150,000	150,000	0	150,000	150,000	150,000	0	150,000
<b>Total Disbursements</b>	<b>4,279,983</b>	<b>4,323,878</b>	<b>3,528,535</b>	<b>795,343</b>	<b>4,174,737</b>	<b>4,600,357</b>	<b>3,494,395</b>	<b>1,105,962</b>
Net Change in Cash Balances	(804,252)	(674,142)	194,291	868,433	(566,744)	(835,228)	(197,258)	637,970
CASH BALANCE, JANUARY 1	1,043,108	1,043,108	1,043,108	0	1,240,366	1,240,366	1,240,366	0
CASH BALANCE, DECEMBER 31	\$ 238,856	368,966	1,237,399	868,433	673,622	405,138	1,043,108	637,970

Schedule 2

SCOTT COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS - CASH BASIS

	Year Ended December 31,							
	2005				2004			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Cash Basis	Final Budget-- Favorable (Unfavorable)	Original	Final	Cash Basis	Final Budget-- Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>								
<b>RECEIPTS</b>								
Property taxes	\$ 495,000	495,000	499,389	4,389	492,500	492,500	466,297	(26,203)
Intergovernmental	566,600	566,600	548,411	(18,189)	655,600	724,531	696,892	(27,639)
Charges for service	46,000	46,000	46,000	0	53,000	53,000	53,000	0
Interest	7,000	7,000	11,193	4,193	6,500	6,500	7,280	780
Other	8,200	8,200	6,614	(1,586)	8,000	13,000	5,258	(7,742)
Total Receipts	1,122,800	1,122,800	1,111,607	(11,193)	1,215,600	1,289,531	1,228,727	(60,804)
<b>DISBURSEMENTS</b>								
Salaries	300,000	300,000	283,471	16,529	285,000	285,000	267,559	17,441
Employee benefits	123,000	123,000	117,380	5,620	125,700	125,700	99,011	26,689
Supplies	103,000	103,000	117,070	(14,070)	107,500	107,500	86,188	21,312
Insurance	36,000	36,000	35,192	808	28,000	28,000	30,036	(2,036)
Materials	568,000	568,000	482,112	85,888	775,500	820,278	717,422	102,856
Equipment repairs	60,000	60,000	35,062	24,938	70,000	70,000	34,626	35,374
Rentals	2,500	2,500	615	1,885	1,000	1,000	665	335
Road and bridge construction	0	0	0	0	11,500	11,500	10,831	669
Property, equipment and buildings	150,760	150,760	240,541	(89,781)	125,760	125,760	116,799	8,961
Other	21,350	21,350	14,812	6,538	26,850	26,850	15,772	11,078
Total Disbursements	1,364,610	1,364,610	1,326,255	38,355	1,556,810	1,601,588	1,378,909	222,679
Net Change in Cash Balances	(241,810)	(241,810)	(214,648)	27,162	(341,210)	(312,057)	(150,182)	161,875
CASH BALANCE, JANUARY 1	276,437	276,437	276,437	0	426,619	426,619	426,619	0
CASH BALANCE, DECEMBER 31	\$ 34,627	34,627	61,789	27,162	85,409	114,562	276,437	161,875
<b><u>LAW ENFORCEMENT SALES TAX FUND</u></b>								
<b>RECEIPTS</b>								
Sales taxes	\$ 1,575,000	1,575,000	1,617,411	42,411	1,500,000	1,500,000	1,571,884	71,884
Charges for service	0	0	8,980	8,980	0	0	0	0
Interest	600	600	1,916	1,316	1,200	1,200	655	(545)
Other	55,100	55,100	5,692	(49,408)	30,200	30,200	16,953	(13,247)
Transfers in	1,472,850	1,472,850	1,321,504	(151,346)	1,502,870	1,502,870	1,262,972	(239,898)
Total Receipts	3,103,550	3,103,550	2,955,503	(148,047)	3,034,270	3,034,270	2,852,464	(181,806)
<b>DISBURSEMENTS</b>								
Sheriff's salaries	580,100	580,100	574,416	5,684	525,863	525,863	511,467	14,396
Jail salaries	776,009	776,009	733,363	42,646	791,707	791,707	799,297	(7,590)
Vehicle expense	223,700	223,700	234,934	(11,234)	275,200	275,200	224,975	50,225
Building and other	391,000	391,000	299,620	91,380	402,000	402,000	302,264	99,736
Employee benefits	378,000	378,000	367,834	10,166	359,500	359,500	346,141	13,359
Debt Service	755,000	755,000	745,359	9,641	680,000	680,000	668,047	11,953
Total Disbursements	3,103,809	3,103,809	2,955,526	148,283	3,034,270	3,034,270	2,852,191	182,079
Net Change in Cash Balances	(259)	(259)	(23)	236	0	0	273	273
CASH BALANCE, JANUARY 1	273	273	273	0	0	0	0	0
CASH BALANCE, DECEMBER 31	\$ 14	14	250	236	0	0	273	273

Schedule 2

SCOTT COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS - CASH BASIS

	Year Ended December 31,							
	2005				2004			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Cash Basis	Final Budget-- Favorable (Unfavorable)	Original	Final	Cash Basis	Final Budget-- Favorable (Unfavorable)
<b><u>HOUSING AND COUNTY DEVELOPMENT FUND</u></b>								
<b>RECEIPTS</b>								
Interest	\$ 10,000	18,500	18,731	231	6,000	6,000	9,897	3,897
Total Receipts	10,000	18,500	18,731	231	6,000	6,000	9,897	3,897
<b>DISBURSEMENTS</b>								
Housing and county development	600,000	60,000	31,945	28,055	620,000	620,000	161	619,839
Total Disbursements	600,000	60,000	31,945	28,055	620,000	620,000	161	619,839
Net Change in Cash Balances	(590,000)	(41,500)	(13,214)	28,286	(614,000)	(614,000)	9,736	623,736
CASH BALANCE, JANUARY 1	623,805	623,805	623,805	0	614,069	614,069	614,069	0
CASH BALANCE, DECEMBER 31	\$ 33,805	582,305	610,591	28,286	69	69	623,805	623,736
<b><u>SCOTT COUNTY COMMUNICATIONS CENTER FUND</u></b>								
<b>RECEIPTS</b>								
Telephone tax	\$ 240,200	240,200	205,528	(34,672)	217,500	217,500	237,810	20,310
Intergovernmental	0	0	72,100	72,100	0	0	440	440
Charges for service	17,500	17,500	18,458	958	17,500	17,500	17,500	0
Interest	4,000	4,000	10,242	6,242	4,000	4,000	5,890	1,890
Other	0	0	510	510	0	0	0	0
Total Receipts	261,700	261,700	306,838	45,138	239,000	239,000	261,640	22,640
<b>DISBURSEMENTS</b>								
Personnel expenses	232,500	232,500	229,039	3,461	192,900	192,900	159,489	33,411
Equipment and repairs	66,000	66,000	201,593	(135,593)	75,150	75,150	61,376	13,774
Transfers out	28,750	28,750	28,750	0	28,600	28,600	28,600	0
Total Disbursements	327,250	327,250	459,382	(132,132)	296,650	296,650	249,465	47,185
Net Change in Cash Balances	(65,550)	(65,550)	(152,544)	(86,994)	(57,650)	(57,650)	12,175	69,825
CASH BALANCE, JANUARY 1	350,973	350,973	350,973	0	338,798	338,798	338,798	0
CASH BALANCE, DECEMBER 31	\$ 285,423	285,423	198,429	(86,994)	281,148	281,148	350,973	69,825

Schedule 2

SCOTT COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS - CASH BASIS

	Year Ended December 31,							
	2005				2004			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Cash Basis	Final Budget-- Favorable	Original	Final	Cash Basis	Final Budget-- Favorable
<b>HEALTH CENTER FUND</b>								
<b>RECEIPTS</b>								
Property taxes	\$ 354,000	354,000	378,526	24,526	340,000	380,000	403,845	23,845
Intergovernmental	287,781	319,518	336,431	16,913	302,012	289,985	301,362	11,377
Charges for service	219,761	219,761	219,761	0	228,121	228,121	228,028	(93)
Interest	4,500	2,500	2,146	(354)	5,000	4,300	3,913	(387)
Other	43,441	43,441	72,720	29,279	19,929	0	7,514	7,514
<b>Total Receipts</b>	<b>909,483</b>	<b>939,220</b>	<b>1,009,584</b>	<b>70,364</b>	<b>895,062</b>	<b>902,406</b>	<b>944,662</b>	<b>42,256</b>
<b>DISBURSEMENTS</b>								
Salaries	494,265	494,265	525,444	(31,179)	502,000	476,500	480,966	(4,466)
Employee benefits	187,789	187,789	200,256	(12,467)	177,691	165,744	173,647	(7,903)
Travel expenses	12,000	12,000	33,569	(21,569)	12,100	11,950	11,110	840
Supplies	108,883	113,768	105,667	8,101	107,981	136,059	136,661	(602)
Office expenses	31,500	32,850	29,170	3,680	35,850	27,091	31,412	(4,321)
Equipment purchases	2,000	2,000	684	1,316	2,300	6,500	6,483	17
Contract services		7,200	6,600	600	10,000	616	631	(15)
Building expenses	0	0	0	0	189,319	158,123	158,123	0
Other	0	0	0	0	500	300	300	0
<b>Total Disbursements</b>	<b>836,437</b>	<b>849,872</b>	<b>901,390</b>	<b>(51,518)</b>	<b>1,037,741</b>	<b>982,883</b>	<b>999,333</b>	<b>(16,450)</b>
Net Change in Cash Balances	73,046	89,348	108,194	18,846	(142,679)	(80,477)	(54,671)	25,806
CASH BALANCE, JANUARY 1	314,259	151,255	151,255	0	345,741	205,926	205,926	0
CASH BALANCE, DECEMBER 31	\$ 387,305	240,603	259,449	18,846	203,062	125,449	151,255	25,806
<b>SENATE BILL 40 BOARD FUND</b>								
<b>RECEIPTS</b>								
Property taxes	\$ 150,500	150,500	154,502	4,002	138,400	138,400	148,043	9,643
Intergovernmental	500	500	205	(295)	150	150	462	312
Interest	8,203	8,203	13,099	4,896	5,225	5,225	8,143	2,918
Other	0	0	1,808	1,808	0	0	0	0
<b>Total Receipts</b>	<b>159,203</b>	<b>159,203</b>	<b>169,614</b>	<b>10,411</b>	<b>143,775</b>	<b>143,775</b>	<b>156,648</b>	<b>12,873</b>
<b>DISBURSEMENTS</b>								
Office expenses	200	200	212	(12)	100	100	203	(103)
Legal fees	500	500	0	500	500	500	500	0
Audit fees	0	0	0	0	0	0	624	(624)
Insurance	1,850	1,850	1,845	5	1,500	1,500	1,601	(101)
Programs	139,000	139,000	95,105	43,895	133,500	133,500	105,520	27,980
Other projects	38,500	38,500	348,607	(310,107)	30,000	30,000	16,450	13,550
Other	500	500	0	500		0	175	(175)
<b>Total Disbursements</b>	<b>180,550</b>	<b>180,550</b>	<b>445,769</b>	<b>(265,219)</b>	<b>165,600</b>	<b>165,600</b>	<b>125,073</b>	<b>40,527</b>
Net Change in Cash Balances	(21,347)	(21,347)	(276,155)	(254,808)	(21,825)	(21,825)	31,575	53,400
CASH BALANCE, JANUARY 1	490,857	490,857	490,998	141	459,423	459,423	459,423	0
CASH BALANCE, DECEMBER 31	\$ 469,510	469,510	214,843	(254,667)	437,598	437,598	490,998	53,400

The accompanying Note to the Required Supplementary Information is an integral part of this information.

Note to the Required Supplementary Information

SCOTT COUNTY, MISSOURI  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law. These budgets are adopted on the cash basis of accounting.

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the Scott County Communications Center Fund and the Senate Bill 40 Board Fund in 2005, and the Health Center Fund in 2005 and 2004.

## Other Supplementary Information

Schedule 3

SCOTT COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2005	2004
OFFICE OF NATIONAL DRUG CONTROL POLICY				
Passed through state Department of Public Safety:				
7	High Intensity Drug Trafficking Area Grant	I5PMWP549X I4PMWP549	\$ 24,321	21,212
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state Department of Health and Senior Services:				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-6201 ERS045-5201 ERS045-4201	170,063	168,715
10.559	Summer Food Service Program for Children	ERS146-5201 ERS146-4201I	490	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development -				
14.228	Community Development Block Grants/State's Program	2001-PF-08		3,000
Department of Social Services -				
14.231	Emergency Shelter Grants Program	ER0164	43,416	28,009
U.S. DEPARTMENT OF JUSTICE				
Direct Program:				
16	Equitable Sharing of Seized and Forfeited Property	N/A	21,420	
Passed through:				
Missouri Sheriff's Association -				
16	Domestic Cannabis Eradication/Suppression Program	N/A		260
State Department of Public Safety -				
16.523	Juvenile Accountability Incentive Block Grants	2002 JAIGB	30,430	16,085
16.575	Crime Victim Assistance	2004-VOCA-0059	22,056	29,343
16.579	Byrne Formula Grant Program	2002-NCD10-29		45,682
Cape Girardeau County -				
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	FD-2004-33		34,913
16.592	Local Law Enforcement Block Grants Program	2004-LB-BX-XXXX		6,504

Schedule 3

SCOTT COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2005	2004
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-100 (13)		10,831
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grant	HMEM03045220		7,200
GENERAL SERVICES ADMINISTRATION				
Passed through state:				
Office of Administration -				
39.003	Donation of Federal Surplus Personal Property	N/A	1,001	
Office of Secretary of State -				
39.011	Election Reform Payments	N/A		23,000
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through State Emergency Management Agency -				
83.564	Citizens Corps	EMK-2003-GR-2541		1,443
DELTA REGIONAL AUTHORITY				
Direct program:				
90.200	Delta Regional Program	N/A		127,500
ELECTION ASSISTANCE COMMISSION				
Passed through state Office of Secretary of State -				
90.401	Help America Vote College Poll Worker Program	SCS 231 SEL000023	7,999	
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
93.569	Community Services Block Grant	ERO-1640657		5,840
Passed through state:				
Department of Health and Senior Services -				
93.268	Immunization Grants	DHO50004014	3,147	14,857
		N/A	40,988	25,563
	Program Total		<u>44,135</u>	<u>40,420</u>

Schedule 3

SCOTT COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2005	2004
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	DHO50038002	15,077	7,255
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	81,811	51,356
	Department of Health and Senior Services -			
93.575	Child Care and Development Block Grant	PGA067-1201	5,760	4,640
	Department of Health and Senior Services -			
93.991	Preventive Health and Health Services Block Grant	N/A		4,466
93.994	Maternal and Child Health Services Block Grant to the States	AOC06380153 ERS146-5201M ERS146-4201M	34,696	33,208
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants	N/A	588	
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state Department of Emergency Management Agency:				
97.004	State Domestic Preparedness Equipment Support Program	2004-GE-T4-0049	139,874	4,000
97.036**	Public Assistance Grants	DR-MO-1412-60		10,437
97.042	Emergency Management Performance Grants	N/A	15,327	15,204
97.051 *	State & Local All Hazards Emergency Operations Planning	EMK-2003-GR-2540		5,700
	Total Expenditures of Federal Award:		\$ <u>658,464</u>	<u>706,223</u>

\* These expenditures include awards made under CFDA number 83.562 and CFDA number 97.051.

\*\* These expenditures include awards made under CFDA number 83.554 and CFDA number 97.036.

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal Awards

SCOTT COUNTY, MISSOURI  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Scott County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals. . . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for the Immunization Grant (CFDA number 93.268) represent both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$5,840 to a subrecipient under the Community Services Block Grant (CFDA number 93.569) during the year ended December 31, 2004.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission  
and  
Officeholders of Scott County, Missouri

Compliance

We have audited the compliance of Scott County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2005 and 2004. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Scott County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2005 and 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance

with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 05-1.

### Internal Control Over Compliance

The management of Scott County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the management of Scott County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

June 15, 2006 (fieldwork completion date)

Schedule

SCOTT COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2005 AND 2004

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?  yes  no

Reportable conditions identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to the financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

Material weaknesses identified?  yes  no

Reportable condition identified that is not considered to be a material weakness?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?  yes  no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
90.200	Delta Regional Program
93.563	Child Support Enforcement
97.004	State Domestic Preparedness Equipment Support Program

Dollar threshold used to distinguish between Type A  
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee?        yes   x   no

## **Section II - Financial Statement Findings**

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

## **Section III - Federal Award Findings and Questioned Costs**

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

<b>05-1. Schedule of Expenditures of Federal Awards</b>
---

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity Identifying Number:	ERS045-5201
Award Year:	2005 and 2004
Questioned Costs:	Not Applicable

Federal Grantor: Delta Regional Authority  
Pass-Through Grantor: Not Applicable  
Federal CFDA Number: 90.200  
Program Title: Delta Regional Program  
Pass-Through Entity  
Identifying Number: Not Applicable  
Award Year: 2005 and 2004  
Questioned Costs: Not Applicable

Federal Grantor: U.S. Department of Health and Human Services  
Pass-Through Grantor: Department of Health and Senior Services  
Federal CFDA Number: 93.563  
Program Title: Child Support Enforcement  
Pass-Through Entity  
Identifying Number: Not Applicable  
Award Year: 2005 and 2004  
Questioned Costs: Not Applicable

Federal Grantor: U.S. Department of Homeland Security  
Pass-Through Grantor: State Department of Public Safety Federal  
CFDA Number: 97.004  
Program Title: State Domestic Preparedness Equipment Support Program  
Pass-Through Entity  
Identifying Number: 2004-GE-T4-0049  
Award Year: 2005 and 2004  
Questioned Costs: Not Applicable

The county and Health Center do not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained several errors and omissions. Expenditures were understated by \$58,168 and by \$157,865 for the years ended December 31, 2005 and 2004, respectively.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Expenditures relating to several federal grants were reported incorrectly or not included on the schedule. For example, in 2005 and 2004 the County Clerk failed to include \$34,537 for the High Intensity Drug Trafficking Area (HIDTA) Grant. In addition, the Health Center information presented for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) did not agree with expenditures for that program, a difference of \$17,206. The County Clerk indicated she was not aware that the HIDTA monies were required to be reported on the SEFA and the Health Center stated that they had mistakenly reflected revenues instead of expenditures for the WIC program on the SEFA. Compilation

of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The County Commission should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly accounted for on the SEFA.

Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Similar conditions were noted in prior reports. Although the County Clerk and the Health Center indicated they would implement the recommendations, the county has not improved these controls and procedures.

**WE AGAIN RECOMMEND** the County Commission, County Clerk and Health Center work to ensure the SEFA is complete and accurate.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*The County Commission and County Clerk indicated:*

*We will continue to try to prepare a complete and accurate SEFA.*

*The Health Center Administrator and Office Manager indicated:*

*The Health Center is now accurately tracking all federal expenditures in the Special Supplemental Nutrition Program Women, Infants, and Children. In the future, we will report all expenditures during the year for each program.*

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

SCOTT COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 2003, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

SCOTT COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

**Finding – Two Years Ended December 31, 2003**

03-1. Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	State Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for WIC
Pass-Through Entity	
Identifying Number:	ERS045-2201, ERS045-3201W, and ERS045-4201
Award Year:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	State Department of Economic Development
Federal CDEA Number:	14.288
Program Title:	Community Development Block Grant Program
Pass-Through Entity	
Identifying Number:	2001-PF-08
Award Year:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor: U.S. Department of Transportation  
Pass-Through Grantor: State Highway and Transportation Commission  
Federal CDFR Number: 20.205  
Program Title: Highway Planning and Construction  
Pass-Through Entity  
Identifying Number: BRO-100(12) and BRO-100(13)  
Award Year: 2003 and 2002  
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Health and Human Services  
Pass-Through Grantor: State Department of Health  
Federal CDFR Number: 93.994  
Program Title: Maternal and Child Health Services Block Grant  
Pass-Through Entity  
Identifying Number: ERS146-2201M, ERS146-3201M, ERS146-4201M,  
ERS175-2064F, ERS175-3065F, and ACOC1380010  
Award Year: 2003 and 2002  
Questioned Costs: Not applicable

The County and the Health Center did not have adequate procedures in place to track federal awards for the preparation of the SEFA. Information presented did not agree with expenditure records for some programs. In addition, some programs were not included on the SEFA schedules while other programs were understated or overstated. As a result, the County and the Health Center under reported federal expenditures by approximately \$141,043 and \$212,470, for 2003 and 2002, respectively.

Recommendation:

The County Clerk and the Health Center Administrator prepare a complete and accurate schedule of federal awards. The County Clerk and Health Center Administrator should ensure that the various program administrators are aware of the importance of the accurate calculation and reporting of the federal program expenditures and provide guidance to them if necessary.

Status:

Not implemented. See finding number 05-1.

**Finding –Two Years Ended December 31, 2001**

01-1. Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity	
Identifying Number:	ERS045-2201, E4S0451201W, and ER0045-201
Award Year:	2001 and 2000
Questioned Costs:	Not Applicable
Federal Grantor:	U.S. Department of Health and Human Services
Pass-Through Grantor:	Department of Health
Federal CFDA Number:	93.994
Program Title:	Maternal and Child Health Services Block Grant to the States
Pass-Through Entity	
Identifying Number:	ERS146-1201M, AOC01380010, C100015066 AOC00380038, ERS175-2064F, ERS175-1201F, and ERS175-0201F
Award Year:	2001 and 2000
Questioned Costs:	Not Applicable

The County and the Health Center did not have adequate procedures in place to track federal awards for the preparation of the SEFA. Information presented did not agree with expenditure records for some programs. In addition, some programs were not included on the SEFA schedules while other programs were understated or overstated.

Recommendation: The County Clerk and Health Center prepare a complete and accurate schedule of expenditures of federal awards to submit to the State Auditor's Office as part of the annual budget.

Status:

Not implemented. See finding number 05-1.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

SCOTT COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scott County, Missouri, as of and for the years ended December 31, 2005 and 2004, which collectively comprise the county's basic financial statements, and have issued our report thereon dated June 15, 2006. We also have audited the compliance of Scott County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 15, 2006.

This Management Advisory Report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Scott County or of its compliance with the types of compliance requirements applicable to its major federal program but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

<b>1.</b>	<b>Budgets</b>
-----------	----------------

Actual disbursements exceeded budgeted amounts for several funds, as follows:

Fund		Year Ended December 31,	
		2005	2004
Scott County	\$	132,132	N/A
Communications Center			
Juvenile Grant		20,845	N/A
Crime Victim		N/A	173
House of Refuge Grant		N/A	340
Law Library		N/A	36,029

The County Commission receive budget to actual comparison reports monthly. However, there were no notations in the commission meeting minutes of discussion regarding the budget status. The Law Library Clerk indicated she does not review a budget to actual comparison report on a monthly basis.

Case law provides that strict compliance with county budget laws is required by county officials. If there are valid reasons which require excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made

following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. To improve the effectiveness of the budgets as a planning tool and ensure compliance with state law, budget to actual comparison reports need to be reviewed and used when making spending decisions throughout the year.

**WE RECOMMEND** the County Commission and other county officials review budget to actual reports carefully and refrain from approving disbursements which exceed budgeted amounts.

**AUDITEE'S RESPONSE**

*The County Commission indicated:*

*We will review budgets more closely in the future before approving disbursements. We did prepare a memo regarding the overage in the Scott County Communications on January 12, 2006, which indicated the overage was due to combining dispatching services for the Jail, Sheriff's Office, and 911; however, the final costs for this project were not received until after the hearing to amend the 2005 budgets had already been held.*

*The Law Library custodian indicated:*

*We will do this in the future, but during these renovations, we simply did not think of doing this.*

**2.**

**Computer Controls**

Computer systems and data are vulnerable to unauthorized use, modification or destruction. Passwords used for the property tax system are not unique for each employee and are not changed periodically.

Access to computer property tax system and data is not adequately restricted to only authorized users. Passwords which restrict employee access to computer files are used by the Collector's, Assessor's, and County Clerk's office; however, they are not unique to each employee. In addition, passwords are not periodically changed to help ensure they remain known only to the assigned user and to reduce the risk of compromised passwords. An ineffective password system increases the risk of unauthorized access and changes to the computer systems and county data.

To establish individual responsibility and to help preserve the integrity of computer systems and data files, access should be limited to authorized individuals through the use of access controls such as passwords. Unauthorized access can result in the disclosure of confidential county information and the deletion or alteration of data files and programs. A unique password should be assigned to each user of a system and passwords should be kept

confidential and changed periodically to help prevent unauthorized access to computer systems and data files.

**WE RECOMMEND** the Collector, Assessor, and County Clerk require unique passwords for all employees which are confidential and periodically changed to prevent unauthorized access to the county's computer systems and data.

### **AUDITEE'S RESPONSE**

*The County Commission indicated:*

*The security on the computers has been addressed with the recent change of servers. Passwords are now changed quarterly and are unique to each office. We will further review the need for individual passwords for each employee.*

<b>3. Vehicles and Equipment</b>
----------------------------------

Fuel usage and operating costs of the Road and Bridge Department are not adequately monitored. For the years ended December 31, 2005 and 2004, the county paid \$55,671 and \$77,103, respectively, for bulk fuel. Also, the review of vehicle logs by the Sheriff's Department is not documented.

The county has three bulk fuel tanks used for Road and Bridge department's ten vehicles and fifteen pieces of equipment. A mileage log is not maintained to document the usage of the vehicles. The county maintains fuel logs for the Road and Bridge department vehicles and equipment; however, this log is not reviewed, or reconciled to fuel purchases and the amount of fuel on hand.

The Sheriff Department maintains vehicle usage and maintenance logs for each of their twelve cars and three trucks. The Sheriff Department obtains their fuel from local convenience stores. Sheriff personnel indicated the usage logs are reviewed; however, there was no documentation of this review.

Without adequate vehicle logs, the county cannot effectively monitor that vehicles are used for official business only, that fuel costs for vehicles are reasonable, and that billings to the county represent legitimate and appropriate charges. Effective monitoring procedures which include reviews of vehicle logs and comparison of log information to fuel purchases and maintenance charges, are necessary to prevent paying vendors for improper billing amounts and decrease the risk of theft or misuse of fuel or other maintenance items occurring without being detected.

**WE RECOMMEND** the County Commission require usage logs be maintained for all county owned vehicles and equipment, and fuel logs be reconciled to fuel purchases. A

periodic review should be performed to ensure the reasonableness of the fuel purchases and usage. In addition, all reviews and reconciliations should be documented.

**AUDITEE'S RESPONSE**

*The County Commission indicated:*

*We are currently keeping some of this information and will try to add the additional information to allow for a more complete review.*

<b>4. Collector's Accounting Controls and Procedures</b>
--

Monthly liability listings are not prepared and reconciled with cash balances. The County Collector is responsible for collecting and distributing property taxes for most political subdivisions within the county. During the years ended February 28, 2006 and 2005, property taxes and other monies totaling approximately \$19.7 and \$18.3 million, respectively, were collected.

The County Collector does not prepare monthly listings of liabilities, and as a result liabilities are not reconciled to cash balances. A comparison of the May 31, 2006, January 31, 2006, and January 31, 2005, reconciled bank balance to identified liabilities showed an unidentified balance of approximately \$2,061, \$2,700 and \$1,273, respectively.

Monthly reconciliations of the cash balances to liabilities are necessary to ensure the cash balances are sufficient to cover liabilities. Without the preparation of such reconciliations, there is little assurance that cash receipts and disbursements have been properly handled and recorded.

**WE RECOMMEND** the Collector prepare a monthly listing of liabilities, reconcile this listing to the reconciled bank balances, investigate any unreconciled differences, and make the appropriate adjustments to correct any differences noted.

**AUDITEE'S RESPONSE**

*The County Collector indicated:*

*We have already developed one reconciliation, and are working on combining it with this reconciliation. In addition, our next step is to work with our computer programmer to integrate this information into a more computerized format.*

At December 31, 2005, open items exceeded reconciled cash balances by approximately \$5,140. Old unidentified open items of approximately \$17,300 remained in the Circuit Clerk's fee account. In addition, monies were transferred from the fee account to the jury account to pay jury fees, instead of obtaining reimbursement from the county. Also, deposits were not made on a timely basis, and checks and money orders were not restrictively endorsed immediately upon receipt.

The Circuit Clerk processed approximately \$890,600 and \$508,700 in receipts in 2005 and 2004, respectively, in civil and criminal case fees, fines, bonds, and restitution.

A. The following concerns were noted regarding the open items reconciliation:

1. The Circuit Clerk does not properly include the balances of the money market accounts and the interest fund (these monies are maintained in the fee account) in her reconciliation of open items, as a result, she was not aware that the fee account was short at December 31, 2005. A comparison of cash balances to open items, including the actual balances in the money market accounts and the interest fund, showed that at December 31, 2005, the open items exceeded the reconciled cash balance by approximately \$5,140. The shortage in the fee account is due to transfers from the fee account to the jury account, as discussed in part 2 below. At December 31, 2005 and 2004, the balance in the account plus the amount due from the jury account, exceeds the open items by approximately \$10,860. Because the Circuit Clerk did not properly include all reconciling items (including amounts due from the jury account), she was not aware of this unidentified amount.

To ensure that receipts and disbursements are properly handled and accurately posted to the case files, and that there is sufficient cash to cover all liabilities for open cases, a complete and accurate open-items listing should be prepared monthly and reconciled to the cash balance. Such reconciliations would allow for prompt detection of errors and allow the Circuit Clerk to determine disposition of any unidentified monies remaining over a period of time. Any amounts remaining that cannot be distributed should be turned over to the state's Unclaimed Property Section in accordance with state law.

2. The Circuit Clerk transfers monies from her fee account to the jury account to pay jury fees, instead of obtaining the funds from the county. As of December 31, 2005, the Circuit Clerk had not obtained reimbursement from the County for jury fees totaling approximately \$9,800. At December 31, 2005, \$16,000 was due from the jury account to the fee account. The Circuit Clerk indicated she did not know the total owed from the County for jury fees or how much she had transferred from the fee account to the jury account. As a result, the shortage noted in part 1 above went undetected by

the Circuit Clerk's office.

The Circuit Clerk's fee account monies are restricted funds that are due to various individuals and entities and should not be used to supplement the jury account. The Circuit Clerk should obtain reimbursement from the county for the jury fees paid, establish a balance to be maintained for the jury account (which would adequately cover expenses), obtain an advance from the county for future jury fees to achieve this balance, and maintain the jury account on an imprest basis. After the initial advance is received, the Circuit Clerk should submit documentation to the county for reimbursement for actual disbursements from the jury account to bring the account back to its established balance. In addition, the Circuit Clerk should transfer \$16,000 from the jury account to the fees account, and refrain from utilizing these monies to supplement other accounts in the future.

- B. Some monies received were not deposited intact in a timely manner. At the end of each day, the clerks close their cashier sessions and reconcile monies collected to their cashier report. The Deputy Circuit Clerk prints a report of all closed cashier sessions, compares it to monies transmitted to her for deposit, and prepares the deposit. There were at least two instances when clerks failed to close their cashiers session at the end of the day, and as a result, one receipt was not deposited for nineteen days, and another receipt for two days. In addition, checks and money orders are not endorsed immediately upon receipt. Checks and money orders are not endorsed until they are posted to the court's computerized accounting system.

To reduce the risk of loss or misuse of funds, cashier sessions should be closed daily and deposits should be made intact on a timely basis and checks and money orders should be restrictively endorsed immediately upon receipt. Deposits should be more frequent if significant amounts of cash are collected.

- C. The Circuit Clerk's monthly reconciliation included approximately \$17,300 of old open items. For some of these old open items, the individuals owed the monies can not be located, however, some of the difference can not be identified to a case (these open items were from prior to 1995). Various statutory provisions provide for the disposition of unclaimed monies.

**WE RECOMMEND** the Circuit Clerk:

- A.1. Determine what the additional funds represents, or dispose of these monies in accordance with state law. In addition, the Circuit Clerk should attempt to identify all cases with open items, any excess monies should be disposed of in accordance with state law.

2. Refrain from using Circuit monies to pay jury fees, obtain reimbursement from the county for the additional \$9,800 for jury fees and transfer \$16,000 from the jury account to repay the fee account. In addition, the jury account should be maintained on an imprest basis in the future.
- B. Ensure that all monies are deposited intact on a timely basis, all cashier's sessions are closed out daily, and all checks and money orders are restrictively endorsed immediately upon receipt.
- C. Attempt to identify all cases with open items, any excess monies should be disposed of in accordance with state law.

### **AUDITEE'S RESPONSE**

*The Circuit Clerk indicated:*

- A.1. *Our checking account maintains a large balance, therefore money is kept in a money market account to get the best interest rate. Our checking account balance is checked daily to see if money needs to be transferred. There was money transferred from the money market account to the jury account. This never deprived any individual or entity from receiving any monies that were due them from the fee account. We have identified the additional funds and entered them into the JIS.*
2. *\$6000 was reimbursed to the fee account in January 2006. Monies are being requested from the county to reimburse the money market account and procedures are being put in place to obtain advance jury fees.*
- B. *Monies are normally deposited daily; however, we are now ensuring all cashier sessions are closed as recommended. Checks and money orders received on criminal cases are endorsed daily, and in the future all civil receipts will be endorsed daily instead of waiting on information needed to enter the receipt into the JIS.*
- C. *The money from prior clerks that could be identified are being disbursed. We are presently in the process of disbursing the remainder of the money that is unidentified. This will be completed by the end of September 2006.*

Receipt slips issued for some monies received are not prenumbered, monies received are not always deposited in a timely manner, and not all disbursements are made by check. In addition, the Sheriff's Office does not maintain a bank account for the deposit of inmate funds, issue prenumbered property tags for some seized property items, or adequately restrict access to seized property. Also, adequate mileage logs were not maintained for some vehicles, and monies from the DARE Fund were not accounted for properly.

The Sheriff's Office processed approximately \$269,670 and \$209,550 in 2005 and 2004, respectively, in inmate monies, fees, and commissary commissions. On May 11, 2006, the Sheriff's Office held approximately \$6,890 of inmate monies in cash. In addition, the Sheriff is responsible for accounting for seized property.

A. The following concerns were noted regarding receipts and disbursements:

1. Receipt slips issued for some monies received are not prenumbered. Various office personnel collect the various fees of the Sheriff's office, issue unnumbered receipt slips, and then transmit copies of the receipt slips issued and the monies collected to the Office Clerk for deposit. The Office Clerk issues a prenumbered receipt slip for all monies collected and transmitted; however, there is no reconciliation of these receipts to monies received by other personnel to ensure all monies were properly transmitted to the Office Clerk. In addition, the composition of receipt slips issued is not reconciled to the composition of deposits. Without issuing and accounting for prenumbered receipt slips for all monies collected and reconciling the composition, the Sheriff's Office cannot ensure all monies collected are ultimately recorded and deposited.
2. Monies received are not always deposited in a timely manner. Monies are collected each business day, but deposits are normally made weekly for the Sheriff's Fee Account, averaging approximately \$1,670 per deposit for August 2005. In addition, checks and money orders received are not restrictively endorsed immediately upon receipt. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt and deposits should be made intact on a timely basis. Deposits should be more frequent if significant amounts of cash are collected.
3. Some disbursements are not made by check. When an individual over pays for mileage to serve a document, a money order is obtained from the bank and mailed to the individual. The Office Clerk does not maintain a copy of the money order, but documents the refunds in the cash control log when the money order is purchased. The Office Clerk indicated refunds were done this

way to avoid numerous outstanding checks. To ensure the proper accounting of disbursements all refunds should be issued by check.

- B. The Sheriff's Office does not maintain a bank account for inmate funds. In addition, the cash held for the inmates is not reconciled to the accounting records, and the balance of an inmate's funds is not refunded upon their release unless specifically requested by the inmate.

The Sheriff's Office maintains an envelope for each inmate with their funds in cash. Records of the receipts, disbursements, and balance are maintained by inmate. When monies are received on the behalf of an inmate, the amount received is posted to the inmate's account, and the cash is placed in that inmate's envelope (checks and money orders received are taken to the bank and cashed). When an inmate makes a purchase from the commissary (and signs a commissary order), visits the doctor or receives medicine, the appropriate disbursement is posted to their account, and the monies are removed from their envelope and placed in a "commissary", "medical", or "prescriptions" envelope. Periodically, the monies from these envelope are used to purchase a money order to pay the commissary vendor, or deposited into the Sheriff's Fee account (commissions, and doctor and prescription fees). The commissary commission, doctor fees, and charges for medicine are then disbursed to the County Treasurer at the end of the month from the Fee Account.

The cash in the inmate's envelopes is not reconciled to the inmate records to ensure all monies have been accounted for properly. In addition, when an inmate is released the cash remaining in their envelope is not refunded unless the inmate specifically requests the balance, instead the Sheriff's Office will keep these monies on hand. Upon our request, the Sheriff's Office reconciled the inmate balances to the monies held in the inmate's envelopes on May 11, 2006, and determined that approximately \$2,930 was held for inmates that had previously been released.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, a bank account should be maintained for inmate monies, all receipts should be deposited intact on a timely basis, all disbursements should be made by check, and the account balance should be reconciled to the list of inmate balances monthly. In addition, the balance of an inmate's account should be paid to the inmate upon his release. The Sheriff's Office should investigate the excess inmate funds held and disburse the funds appropriately.

- C. Several concerns were noted regarding seized property records:
1. Seized property items are not always tagged to identify the property to a specific case and the property tags utilized are not prenumbered. An inventory listing of seized property is maintained; however, the listing does not appear complete. Several items located in the evidence room were not included on the inventory listing. In addition, the former Sheriff stated that he and the seized property officer had kept several of their personal guns in

the seized property vault.

Adequate seized property inventory records are necessary to deter and identify loss, misuse, or theft of such items. An inventory record should include information such as date of seizure, description, persons involved, current location of the property, case name and number, and date and method of release or disposition of the property. In addition, all items should be tagged and identified to a specific case.

2. Access to seized property is not adequately restricted. Eight employees of the Sheriff's Office have access to the seized property. To adequately safeguard seized property and reduce the risk of loss, theft, or misuse, restricted access to the property should be enforced.
3. The seized property inventory log indicated ten guns were released to the former Sheriff during the week immediately prior to the end of his term, and were not returned. The cases involving the missing guns appeared to be for old cases which had been closed or resolved, but the guns had not been disposed of properly. The former Sheriff indicated that he had retrieved some guns from the gun vault and returned them to their owners before he left office. There was no documentation available to determine the actual disposition of these guns. The proper authorities were notified of these missing guns.

The Sheriff's Office should continue to investigate the ten guns that were noted as released to the prior Sheriff. In the future, the disposition of all seized property should be properly documented.

D. Several concerns were noted regarding mileage:

1. The Sheriff provides a personal vehicle for employees to serve court documents and is paid \$15 per document served. During 2005, the Sheriff was paid approximately \$10,000 in mileage fees. The Sheriff indicated his personal vehicle is used because the Sheriff's Office does not have a county vehicle available to perform these duties, and the flat rate is charged since actual mileage would often exceed the \$35 fee allowed to be charged for this service, thus the county would not receive a portion of this fee. Currently, the county receives \$20 of this fee for each paper served. No documentation of actual miles driven is prepared to support these payments. In addition, the mileage reimbursements were not properly reported on the Sheriff's W2.

Internal Revenue Code (IRC) Ruling 12-110 specifically requires employee expenses that are not accounted for to the employer to be considered gross income. To comply with the IRC, all compensation paid to county employees should have the required payroll taxes withheld and be properly reported.

2. In 2004, the former Sheriff had a fleet of personnel vehicles used by sheriff personnel, for which he received reimbursement for mileage from the county. The only documentation available was the checks written to the former Sheriff. The former Sheriff indicated mileage logs were not maintained during his term of office. The former Sheriff was paid approximately \$33,760 for mileage reimbursement during the year ended December 31, 2004. This condition was noted in the prior audit report.

Without adequate documentation to ensure the Sheriff's personal vehicle is used only when county vehicles are not available, the County Commission has no assurance county vehicles are being fully utilized or that only actual miles traveled are being reimbursed.

- E. The former Sheriff did not turn DARE funds and records over to the new Sheriff. The December 31, 2004, bank statement indicated a balance of \$10,872 in the DARE Fund. The current Sheriff indicated that when he discussed this account with the bank, he was informed that the DARE account was in the former Sheriff's personal name. The Sheriff wrote a letter on February 18, 2005, to the former Sheriff requesting the DARE monies be turned over to the County Treasurer. The former Sheriff responded that there were no DARE monies held in that bank account and that the account was closed during February 2005. The Sheriff's office could not locate any documentation of the receipts and disbursements occurring in this fund during 2004.

Per copies of bank statements and canceled checks obtained from the bank, receipts and disbursements for 2004, were \$8,674 and \$14,752, respectively. In 2005 the DARE Account receipts and disbursements were \$900 and \$11,772, respectively. During the two years ended December 31, 2005, approximately \$18,200 in disbursements from this account did not appear to be a prudent or necessary use of county funds. For example, there were donations to various not-for-profit organizations (Sikeston Jaycees, Kenny Rogers CP Center, and the State Highway Patrol golf tournament), and disbursements for the former Sheriff's retirement party and to move his personal items from the Sheriff's Department, for building a picnic shelter in the Veteran's Park in Sikeston, and for a \$10,000 Scholarship to Southeast Missouri University. When closing this account out in February 2005, the former Sheriff received a cashiers check in the amount of \$1,772, to which there is no documentation of how these funds were used. The Sheriff's office has notified the Prosecuting Attorney of this situation.

The former Sheriff indicated the receipts into this account represented monies raised through various fund raising activities, were not county monies, and thus were not turned over to the new Sheriff at the end of his term. Section 50.330, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such money to the county treasurer. Accountable fees should be turned over to the County Treasurer. Section 50.550, RSMo, authorizes the County Commission to establish separate funds as necessary.

In addition, Attorney General's Opinion No. 45, 1992 to Henderson, states "... sheriffs of third class counties are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury."

**WE RECOMMEND** the Sheriff:

- A.1. Issue prenumbered receipts slips for all monies received.
  2. Properly safeguard receipts by restrictively endorsing money order immediately upon receipt, and making deposits timely.
  3. Make all refunds by check.
- B. Open and maintain a bank account for all inmate monies and disburse inmate funds upon their release. In addition, the balance of the inmates account should be reconciled to the inmate records monthly. Any differences should be investigated and the funds disbursed to the appropriate parties.
- C.1. Issue a prenumbered property tag for all seized property.
  2. Restrict access to seized property.
  3. Continue investigating the missing guns and determine whether legal actions should be taken. In addition, ensure the disposition of all seized property is properly documented.
- D. Require a mileage log be maintained that reflects business and personal miles driven and review this log periodically for reasonableness. In addition, the Board should comply with IRS guidelines for the reporting of fringe benefits relating to personal vehicle use.
- E. Continue investigating this issue and determine whether legal action should be taken.

## AUDITEE'S RESPONSE

*The current Sheriff indicated:*

- A. *We have implemented these recommendations.*
- B. *We have opened a bank account for inmate funds. We will start reconciling the cash on hand to the accounting records as of the end of October.*
- C.1. *We are currently numbering items, but realize we had missed some, so we plan on implementing this recommendation at the beginning of September to make a better process of keeping up with the inventory. In addition, we are looking at purchasing a software package to help implement this recommendation.*
- 2. *We have implemented this recommendation. Currently, the Sheriff, the seized property deputy, and one additional deputy have keys to the seized property room.*
- 3. *We are still investigating this matter.*
- D. *We discontinued this practice as of January 2006. We only used the personal vehicle due to a temporary shortage of county vehicles. It should be noted that I did include these payments on my personal taxes.*
- E. *We will continue to investigate this matter.*

*The former Sheriff indicated:*

- C.3. *Near the end of my term as Scott County Sheriff, I removed 5 guns from the Sheriff's office to return to their owners. These guns were not needed as evidence in any pending cases and I felt that there was no reason not to return them to their owners. I have provided the auditors with statements from the owners indicating these guns were received by them. I did not take any of the other guns referred to, nor am I aware of their location.*
- D. *I do not have any more information regarding the mileage.*
- E. *The receipts in this account represent money raised through various fund-raising activities; were not county monies; were not remuneration for official services; they were not accountable fees and were only spent as benevolent gestures. This account was not for "law enforcement purposes".*

*The \$900 which was applied to the retirement dinner was reimbursed to the fund in the 2005 receipts. The cashiers check in the amount of \$1,771.82 was made payable to the St. Louis Shriner's Hospital.*

**7.****Prosecuting Attorney's Accounting Controls and Procedures**

The Prosecuting Attorney's Office does not deposit monies in a timely manner and some money orders are not restrictively endorsed immediately upon receipt. In addition, open items listings are not prepared and reconciled with cash balances, outstanding checks are not properly investigated and receipt slips are not issued for some monies received.

A. The following concerns were noted regarding receipts and disbursements:

1. Some monies received are not deposited in a timely manner. Monies are normally collected each business day, but deposits are normally made only once a week. During December 2005, only four deposits were made, averaging approximately \$2,000 per deposit. In addition, some money orders received are not restrictively endorsed immediately upon receipt. A cash count performed on March 27, 2006, showed 14 money orders, which had been received after the last deposit on March 23, 2006, to which only ten had not been restrictively endorsed for deposit only.

To reduce the risk of loss or misuse of funds, deposits should be made intact on a timely basis and money orders should be restrictively endorsed immediately upon receipt. Deposits should be more frequent if significant amounts of cash are collected.

2. Listings of open items are not prepared and reconciled with cash balances on a monthly basis. Upon our request, an open items list was prepared for December 31, 2005. The reconciled bank balance as of December 31, 2005, was approximately \$33,852 more than the open items list. In addition, the December 31, 2005, bank reconciliation showed a \$359 unreconciled difference between the book balance and the reconciled bank balance. Prosecuting Attorney personnel indicated this difference is the same each month, and has been there since they took office.

Monthly listings of open items should be prepared and reconciled to cash balances to ensure accounting records are in balance and sufficient funds are available for the payment of liabilities. Various statutory provisions provide for the disposition of unclaimed monies.

3. Outstanding checks are not properly investigated and disposed of in accordance with state law. On December 31, 2005, the Prosecuting Attorney's office had approximately \$2,042 in outstanding checks for restitution that were over a year old. These checks should be canceled and reissued if the payee can be located. For those payees who cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

- B. Receipt slips are not issued for some monies received. Receipt slips are issued for restitution receipts; however, their numerical sequence is not accounted for properly. Receipt slips are not issued for bad check restitution or fees received. When the bad check receipts are received they are attached to the case file, and placed in the safe. Once a week, a transmittal is prepared and turned over with the bad check fees to the Treasurer, and the vendors money orders are mailed out.

Without issuing and accounting for prenumbered receipt slips for all monies collected, the Prosecuting Attorney cannot ensure all monies collected are ultimately recorded and deposited.

**WE RECOMMEND** the Prosecuting Attorney:

- A.1. Deposit all monies on a timely basis, and restrictively endorse money orders immediately upon receipt.
2. Prepare a monthly listing of open items and reconcile it to the cash balance. In addition, the Prosecuting Attorney should attempt to identify all cases with open items, any excess monies should be disposed of in accordance with state law.
3. Attempt to contact the payees of the old outstanding checks and reissue checks if possible. If the payee cannot be contacted, these monies should be disposed of in accordance with state law.
- B. Issue prenumbered receipt slips for all monies received and account for the numerical sequence of those receipt slips.

**AUDITEE'S RESPONSE**

*The Prosecuting Attorney indicated:*

*A1&B. These recommendations have already been implemented.*

- A.2. *We started at an excess of \$65,000 and have investigated and reduced this balance to \$31,000. We will implement this recommendation by September 1, 2006.*
3. *We will put a notice in the paper by October 1, 2006 of the outstanding balances we have at this time and give them 40 days to respond. After 40 days, we will request the County Treasurer to turn the monies in her possession over to the state. In the future, any monies of this nature will be turned over directly to the state in compliance with state law.*

**8.****Associate Clerk's Accounting Controls and Procedures**

Associate Court procedures related to the processing of monies, and monitoring and pursuing accrued costs are in need of improvement. Some monies are not deposited in a timely manner, checks and money orders are not restrictively endorsed immediately upon receipt, and monies received are not maintained in a secure location. In addition, the Associate Clerk's Office has not established procedures to routinely follow-up on outstanding checks, and to ensure accrued costs are adequately identified and pursued.

The Associate Clerk processed approximately \$1,360,190 and \$1,140,300 in 2005 and 2004, respectively, in civil and criminal case fees, fines, and bonds.

A. The following concerns were noted regarding receipts:

1. Some monies received are not deposited in a timely manner. Monies are normally collected each business day; however, deposit slips for December 2004 and 2005, indicated deposits were made approximately once a week and averaged approximately \$17,400. In addition, some receipts were not deposited timely, due to the fact that a clerk had not closed out her cashier's session on a timely basis. In addition, checks and money orders are not restrictively endorsed immediately upon receipt.

To safeguard receipts and reduce the risk of loss, theft or misuse of funds, cashier sessions should be closed daily and receipts should be deposited intact on a timely basis. Deposits should be more frequent if significant amounts of cash are collected. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.

2. Some monies received are not maintained in a secure location until deposited. Garnishment checks are kept on top of the deputy clerk's desk, until they are entered into the accounting records. To adequately safeguard against theft or misuse of funds and to provide assurance that all receipts are accounted for properly, monies should be maintained in a secure location until deposited.

B. The Associate Clerk has not established procedures to routinely follow-up on outstanding checks. The December 31, 2005, outstanding check listing showed 16 checks that were over one year old totaling \$1,613, with two of the checks payable to other governments. The Associate Clerk should adopt procedures to routinely follow-up on outstanding checks and reissue them if the payee can be located. If the payee cannot be located, these monies should be disposed of in accordance with state law. In addition, routine procedures should be established to investigate checks outstanding for a considerable time.

- C. The Associate Clerk does not generate a monthly accrued cost listing, and as a result these records are not adequately monitored or their collection pursued. A listing of accrued costs owed to the court is maintained in the Associate Clerk's computer system, the Justice Information System (JIS); however, the Associate Clerk was not aware this information was available or that a report could be generated. Upon our request, the Associate Clerk contacted the Office of the State Courts Administrator and generated the report. As of March 2006, the accrued cost balance was approximately \$182,000; however, this listing was not accurate. The listing included some court costs posted to the JIS twice in error, and some which were posted to the JIS incorrectly. In addition, some accrued costs listed were associated with state agencies which are not required to pay. As a result, the accrued costs were overstated. The Associate Clerk indicated she was not aware of these problems.

In addition, monitoring procedures related to accrued costs are not adequate. When a case is closed and the costs determined, the Associate Court Clerk prepares and sends a cost bill to the defendant. If payment is not received, the Associate Court Clerk does not initiate any further collection procedures. Although the Associate Circuit Clerk's office does utilize show cause orders and issue warrants for failure to appear, these procedures are applied early in the case process and minimal future efforts are made to collect amounts due the Associate Court Clerk's office if these procedures are not successful.

A complete and accurate listing of accrued costs would allow the Associate Clerk to more easily review the amounts due to the court and to take appropriate steps to ensure amounts owed are collected or to determine if amounts are uncollectible. Establishing procedures to ensure cases are updated or removed from the accrued cost list as appropriate would help ensure the list is complete and accurate. Inadequate procedures for the collection of accrued court costs may result in lost revenues.

**WE RECOMMEND** the Associate Clerk:

- A.1. Deposit all monies intact on a timely basis, and restrictively endorse checks and money orders immediately upon receipt.
2. Maintain monies received in a secure location until deposited.
- B. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.
- C. Establish procedures to monitor and collect accrued costs.

## **AUDITEE'S RESPONSE**

*The Associate Clerk indicated:*

- A.1. *We have limited personnel, monies are now being deposited two or three times a week.*
- 2. *This recommendation has been implemented.*
- B. *We will implement this recommendation before the end of the year.*
- C. *When we consolidate with the Circuit Court, we will hopefully have the time and personnel to investigate this listing. We do plan to start participating in the debt offset program.*

### **9. Public Administrator's Accounting Controls and Procedures**

Public Administrator procedures related to processing of monies, and the sale of property are in need of improvement. Checks are not restrictively endorsed immediately upon receipt, and formal appraisals are not obtained prior to the sale of real property.

- A. Checks and money orders are not restrictively endorsed immediately upon receipt. A cash count performed on February 21, 2006, showed 16 money orders totaling \$9,061, which had not been restrictively endorsed for deposit only. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
- B. Formal appraisals are not obtained prior to the sale of a ward's real estate. The Public Administrator indicated she had obtained an appraisal for one ward's property which was ordered to be sold by the judge's order; however, documentation of this appraisal was not retained. The Public Administrator indicated she was not aware that she should obtain a formal appraisal on real estate prior to selling. Good business practice requires obtaining a formal appraisal to ensure the price obtained for the property is reasonable and represents the fair value of the property. The Public Administrator should obtain formal appraisals for all property sold.

**WE RECOMMEND** the Public Administrator:

- A. Deposit and record monies on a timely basis, and restrictively endorse checks and money orders immediately upon receipt.
- B. Obtain formal independent appraisals for all property sold.

## **AUDITEE'S RESPONSE**

*The Public Administrator indicated:*

- A. *The checks that were not yet endorsed were tax credit refunds that I had just received that day and the day before. Most of them required opening new accounts at the bank and I simply had not had time to do so yet. They were, however all paper clipped together and in my fire proof file.*

*Your recommendation to restrictively endorse receipts and to deposit them in a timely manner has already been implemented. We also make a photocopy of all checks received and file it in the proper ward's file.*

- B. *Formal appraisals from an appraiser are not always possible when there are no funds in an estate with which to pay for the appraisal. I have had only one other house to sell since the audit, and again, no funds with which to pay for a formal appraisal. I had a real estate appraisal done by a local realtor who has been doing this type of appraisal for several years. He emailed me his recommendations and I printed a copy of this appraisal for my files. The time frame does not always allow a formal appraisal. The local appraisal firms take anywhere from 3 to 6 weeks to complete an appraisal, and the fee is usually around \$350 to \$500.*

*If funds are available when I need to sell real estate, with the judge's permission, I will certainly obtain a formal appraisal. If there are no funds or if time is of the essence, I will use the real estate broker but keep a written copy of his appraisal.*

<b>10. Recorder of Deeds' Accounting Controls and Procedures</b>
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The Recorder's office processed approximately \$360,000 and \$370,000 in 2005 and 2004, respectively, for deeds, tax liens, warranties, marriage licenses, and copies.

Cash custody and recordkeeping duties have not been adequately segregated in the Recorder's Office. The Recorder collects monies, records transactions, prepares deposits, prepares and signs checks, and prepares bank reconciliations.

Internal controls would be improved by segregating the duties of receiving and depositing monies from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

**WE RECOMMEND** the Ex Officio Recorder of Deeds adequately segregate accounting duties to the extent possible or ensure independent periodic reviews are performed and documented.

## **AUDITEE'S RESPONSE**

*The Recorder indicated this recommendation has already been implemented.*

<b>11. Health Center's Accounting Controls and Procedures</b>
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The Health Center Board approved disbursements in excess of budgeted amounts. In addition, the Health Center does not issue prenumbered receipt slips for some monies received, receipt slips issued do not always indicate the method of payment received, the composition of the receipt slips is not reconciled to deposits, and receipts are not posted to the accounting records on a timely basis or deposited in a timely manner.

The Health Center processed approximately \$1,009,600 and \$944,600 in 2005 and 2004, respectively, for property taxes, vaccination fees, donations, family planning fees, birth and death certificates, and various grants.

- A. The Health Center Board approved disbursements in excess of budgeted amounts by \$51,518 and \$16,450 during the years ended December 31, 2005 and 2004, respectively. There was no budget amendment filed to authorize the additional disbursements. The Board receives budget to actual comparison reports monthly. However, there were no notations on the report copies or evidence in the Board meeting minutes of discussion regarding the budget status. The Health Center Director of Accounting indicated that the Health Center hired a new employee in February 2005 and an employee changed from contract labor status to a Health Center employee in 2004, which caused the excess spending.

Case law provides that strict compliance with county budget laws is required by county officials. If there are valid reasons which require excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. To improve the effectiveness of the budgets as a planning tool and ensure compliance with state law, budget to actual comparison reports need to be reviewed and used when making spending decisions throughout the year.

- B. The following concerns were noted regarding receipts:
1. Prenumbered receipt slips are not issued for some monies received. In addition, the method of payment is not always noted on the receipt slip and the composition of receipt slips issued is not reconciled to the composition of deposits. Without issuing and accounting for prenumbered receipt slips for all monies collected, including the method of payment, the Health Center cannot ensure all monies collected are ultimately recorded and deposited.
  2. Receipts are not posted to the accounting records on a timely basis. Medicaid receipts are posted to the accounting records the following month after they are received. The Health Center stated that they do not receive notification of these receipts until they receive the bank statement the following month. In addition, other receipts are posted on a weekly basis. Complete and accurate accounting records are necessary to provide summarized financial information and facilitate reconciliations with bank accounts.
- C. Monies received are not always deposited in a timely manner. Monies are normally collected each business day, but deposits are made on a weekly basis. Deposit slips for September 2005 indicated that four deposits were made averaging \$11,542 per deposit and that approximately 10% of these deposits were cash. A cash count performed on February 28, 2006 showed over six days of undeposited collections, totaling approximately \$3,283 and including approximately \$1,697 in cash. In addition, checks and money orders are not restrictively endorsed immediately upon receipt.

To reduce the risk of loss or misuse of funds, deposits should be made intact on a timely basis and checks and money orders should be restrictively endorsed immediately upon receipt. Deposits should be more frequent if significant amounts of cash are collected.

**WE RECOMMEND** the Health Center Board:

- A. Review budget to actual reports carefully and refrain from approving disbursements which exceed budgeted amounts.
- B.1. Require prenumbered receipt slips be issued for all monies received. In addition, ensure the method of payment is recorded on the receipt slips and the composition of the receipt slips is reconciled to deposits.
2. Require all receipts be posted to the cash control ledger on a timely basis.
- C. Require all monies be deposited on a timely basis and checks and money orders be restrictively endorsed immediately upon receipt.

**AUDITEE'S RESPONSE**

*The Health Center Administrator and Director of Accounting indicated:*

- A. *The Board will review the budget periodically and make revisions as necessary for any increase or decrease in revenues or expenses. This will then be submitted to the State Auditor's Office.*
  
- B&C. *We have already implemented several changes to the deposits. Deposits are now made on a daily basis. Prenumbered receipt slips are now written for all monies collected and reconciled to deposits. The method of payment is now recorded on each receipt slip and deposits are now entered in the accounting records daily.*

<b>12. Senate Bill 40 Board Policies and Procedures</b>
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The Senate Bill 40 (SB40) Board approved disbursements in excess of budgeted amounts by approximately \$265,200 and did not enter into contractual agreements with entities. Also, the Board minutes are not signed by the Board President and did not always include a record of votes taken.

- A. The SB40 Board approved disbursements in excess of budgeted amounts by \$265,200 during the year ended December 31, 2005. There was no budget amendment filed to authorize the additional disbursements. The Board does not review a budget to actual statement on a monthly basis. The President of the Board indicated the main reason for the excess spending was that they did not anticipate funding a dust collection system for the Scott County Community Shelter Workshop, which totaled approximately \$321,000.

Case law provides that strict compliance with county budget laws is required by county officials. If there are valid reasons which require excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. To improve the effectiveness of the budgets as a planning tool and ensure compliance with state law, budget to actual comparison reports need to be reviewed and used when making spending decisions throughout the year.

- B. The SB40 Board did not always enter into contracts when appropriate. The SB40 Board entered into verbal agreements with the People First of Sikeston for \$8,500 to provide services to applicable recipients and a local school district for \$4,136 to establish a print shop. No contract or agreement was signed between the parties indicating what supporting documentation was to be submitted to the SB40 Board to indicate that bids were obtained, the services to be provided and the funds were spent in accordance with state law.

In addition, the Senate Bill 40 Board provided the Sheltered Workshop an additional \$321,000 for the purchase of a dust control system. The SB40 Board did not clearly document what additional services they would receive from the Sheltered Workshop for this additional amount, which was not part of their original contract.

Written contracts are necessary to ensure all parties are aware of their duties, rights, and responsibilities and to provide protection to all parties. In addition, without a contract or proper documentation the SB40 Board lacks adequate assurance that funds are being spent and bid in accordance with state law.

- C. The SB40 Board minutes do not always include sufficient detail of actions and votes taken. In addition, the board minutes are not signed by Board President to attest to their completeness and accuracy.

The Sunshine Law, Chapter 610, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings, and specifies details that must be recorded. Minutes are required to include, but not limited to, the date, time, place, members present, members absent, and a record of votes taken. In addition, the minutes should provide details regarding discussions that take place during meetings. Complete and accurate minutes are necessary to retain a record of the business conducted and actions taken by the board. In addition, minutes should be signed by the Board President to show that the minutes have been reviewed and accurately reflect the discussions held and actions taken in the previous meeting.

These conditions were noted in the prior audit.

**WE RECOMMEND** the Senate Bill 40 Board:

- A. Review budget to actual reports carefully and refrain from approving disbursements which exceed budgeted amounts.
- B. Enter into a written contract with all service providers detailing the responsibilities of each party involved.
- C. Ensure complete and accurate minutes of the commission's meetings are maintained; including, but not limited to, a record of any votes taken, and other information required by state law. In addition, minutes should be signed to attest to their accuracy.

**AUDITEE'S RESPONSE**

*The SB40 Board Treasurer indicated:*

*A&C. We have already implemented these recommendations.*

*B. We will implement this recommendation.*

## Follow-Up on Prior Audit Findings

SCOTT COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Scott County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2001.

Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Vehicle Procedures

- A. Logs, which document vehicle usage, were not maintained for road and bridge and law enforcement vehicles.
- B. The Sheriff provided a fleet of vehicles for use by his office, which included six cars and one motorcycle. In addition, the county provided the Sheriff's department with a fleet of thirteen vehicles. It appeared some of the county vehicles were not being fully utilized.

None of the various mileage reimbursement documents indicated which vehicle was used and usage logs were not maintained for any vehicles within the department (see part A above).

Recommendation:

- A. Require usage logs to be maintained on all county vehicles which identify the vehicle operator, dates of use, miles driven, destination and purpose of trips, and the fuel and maintenance expenses incurred.
- B. Develop policies and procedures to ensure the vehicles provided by the county are utilized to their fullest potential and to ensure only actual miles traveled are being reimbursed.

Status:

- A. Partially implemented. In 2005, the Sheriff's Office began maintaining usage logs for their vehicles, but the Road and Bridge Department has not. See MAR finding number 3.
- B. Partially implemented. In 2005, the Sheriff's office began utilizing only the county vehicles; however, in August 2005, the Sheriff provided one personal vehicle for the serving of papers. See MAR finding number 6.

2. Salaries and Personnel Procedures

- A. The Scott County Associate County Commissioners each received a mid-term salary increase totaling approximately \$6,700 yearly in 1999. A subsequent Supreme Court decision held the statute section unconstitutional.
- B. The 911 Director and Highway Supervisor did not prepare timesheets. The County Commission considered these two positions to be exceptions to the county policy; however, this was not formally documented.

Recommendation:

- A. Review the impact of this court decision and develop a plan for obtaining repayment of the salary overpayments.
- B. Establish a policy or job description for the 911 Director and Road and Bridge supervisor and require all county employees to prepare detailed time sheets.

Status:

- A. Partially implemented. One of the former Associate Commissioners provided documentation of mileage that he did not request reimbursement for during his term as documentation of repayment of this raise. This former Associate Commissioner did not request mileage reimbursement during his term prior to our recommendation. However, the other former Associate Commissioner did not return the monies to the county. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Implemented.

3. Budgetary Practices

Expenditures exceeded the original budgeted amounts in various funds.

Recommendation:

The County Commission ensure expenditures are kept within the amounts budgeted. If additional funds are received which could not be estimated when the budget was adopted, the budget should be amended by following the procedures required by state law.

Status:

Not implemented. See MAR finding number 1.

4. Collateral Security

Collateral securities pledged by the county's depository bank to cover deposits of the County Treasurer and the County Collector were insufficient.

Recommendation:

The County Commission ensure adequate collateral securities are pledged to protect county funds. This can be done by monitoring bank activity and providing timely notice to the depository banks of the need for additional collateral securities to be pledged.

Status:

Implemented.

5. Sheriff's Accounting Controls and Procedures

- A. The DARE funds are not budgeted or published in the county's annual financial statements.
- B. Transportation fees for the delivery of inmates from the Department of Corrections were deposited into the Sheriff's fee account and used to pay mileage to various Sheriff personnel. These are accountable fees of the Sheriff's office. Any costs incurred in transporting convicted offenders should be billed to and paid by the county.

The Sheriff considered the employees to be off-duty when transporting prisoners and these fees were not subjected to payroll withholdings or reported on the respective W-2 forms. In addition, the hours spent in transporting prisoners were not included on timesheets.

Recommendation:

- A. Turn all monies over to the County Treasurer or work with the County Commission to budget and report all county funds.
- B. The Sheriff and County Commission review this situation. Sheriff's Department personnel who serve as transporters or guards should be paid their normal salary for the amount of time spent, and all payments should be included on W-2 forms.

Status:

- A. Partially implemented. When the new Sheriff took office in January 1, 2005, a new DARE fund was established and handled by the Treasurer. A budget was prepared

for the DARE fund in 2006. However, the old DARE fund was never turned over to the County Treasurer. See MAR finding number 6.

- B. Implemented. Since the new Sheriff took office in January 1, 2005, the deputies are compensated for the transport of prisoners through normal county payroll procedures and all monies received from the State for the transportation of prisoners are turned over to the County.

6. Prosecuting Attorney's Accounting Controls and Procedures

- A. Checks and money orders received were not adequately safeguarded against theft or destruction, deposited timely, or restrictively endorsed.
- B. Listings of open items were not prepared and reconciled with cash balances on a monthly basis. The cash balance as of January 31, 2002, was approximately \$15,000 more than the open items list. From April 30, 1998 this unidentified difference had increased approximately \$10,000.
- C. The duties of receiving, recording, and depositing were not adequately segregated.
- D. An adequate system to account for all bad checks received by the Prosecuting Attorney's office as well as subsequent disposition of these bad checks had not been established.
- E. Outstanding checks were not properly investigated and turned over to the County Treasurer.

Recommendation:

- A. Properly safeguard receipts by restrictively endorsing checks immediately upon receipt, making deposits daily or when receipts exceed \$100, and ensuring any undeposited monies are maintained in a secure location.
- B. Prepare a monthly listing of open items and reconcile it to the cash balance. In addition, the Prosecuting Attorney should attempt to identify all cases with open items, any excess monies should be disposed of in accordance with state law.
- C. Adequately segregate accounting duties to extent possible or ensure periodic supervisory reviews are performed and documented.
- D. Implement procedures to adequately account for bad checks received as well as the ultimate disposition through the use of sequential numbers assigned to each bad check affidavit from and a log to account for the numerical sequence and ultimate disposition of each bad check. In addition, the Prosecuting Attorney should attempt to determine the proper disposition of the unidentified monies.

- E. Attempt to contact the payees of the old outstanding checks and reissue checks if possible. If the payee cannot be contacted, these monies should be turned over to the state's Unclaimed Property Section in accordance with state law.

Status:

A. Partially implemented. Money orders for restitution payments are restrictively endorsed when they are received; however, money orders for bad checks fees are not restrictively endorsed until they are turned over to the Treasurer. In addition, money orders are maintained in a secure location until deposited or transmitted. Monies are not deposited on a timely basis. See MAR finding number 7.

B. Not implemented. See MAR finding number 7.

C,D,  
&E. Implemented.

7. Health Center

A. The Health Center Board approved expenditures in excess of budgeted expenditures.

B. Real estate was purchased without obtaining an appraisal of the land.

Recommendation:

A. Not authorize warrants in excess of the budgeted amounts. If amendments are necessary, the board should pay strict attention to the state law governing budget amendments and ensure amendments are made prior to incurring the expense.

B. Obtain an independent appraisal for any property being considered for purchase.

Status:

A. Not implemented. See MAR finding number 11.

B. Implemented.

8. Senate Bill 40 Board Policies and Procedures

A. The Senate Bill 40 had accumulated a significant cash reserve. In addition, the Board budgeted \$50,000 for "potential new projects" each year.

B. The Senate Bill 40 Board expended approximately \$595 for dinner meetings for the board and \$83 in gifts and flowers to board members and county officials.

- C. Proper notice was not given to the public when the Senate Bill 40 Board's normal meeting time and location were changed.
- D. Bids were not obtained or bid documentation was not retained for various equipment purchases made by the Senate Bill 40 Board.
- E. No contract or agreement was signed between the parties indicating what supporting documentation was to be submitted to the Senate Bill 40 Board to indicate how the funds were being spent
- F. The Senate Bill 40 Treasurer was not bonded.

Recommendations:

- A. Review the cash balance and consider reducing the property tax levy. If plans have been made for expending the accumulated fund balance, such plans should be set forth publicly in the budget document. In addition, the Board should establish all funding projects prior to approving the budget.
- B. Ensure all expenditures are reasonable and necessary and a prudent use of public funds.
- C. Post all changes to meeting locations, dates, and times to accordance with state law.
- D. Require all entities to submit proper bid documentation with all requests for purchases by the SB40 Board over \$4,500. In addition, the bid documentation should be retained by SB40 Board to show compliance with state law.
- E. Enter into a written contract with all service providers detailing the responsibilities of each party involved.
- F. Ensure all employees handling funds are adequately bonded.

Status:

- A. Partially implemented. The cash balance decreased in 2005; however, some funding projects were not established prior to approving the budget. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Not implemented. The SB40 Board expended approximately \$265 for dinner meetings for the board and \$30 for flowers during the two years ended December 31, 2005. Although not repeated in the current MAR, our recommendation remains as stated above.

- C. Not implemented. Although not repeated in the current MAR, our recommendation remains as stated above.
- D&E. Not implemented. See MAR finding number 12.
- F. Implemented.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

SCOTT COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1821, the county of Scott was named after John Scott, the first congressman from Missouri. Scott County is a county-organized, third-class county and is part of the Thirty-third Judicial Circuit. The county seat is Benton.

Scott County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 325 miles of county roads and 55 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 39,647 in 1980 and 40,422 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2005	2004	2003	2002	1985*	1980**
		(in millions)					
Real estate	\$	231.8	222.4	219.5	215.5	148.7	61.5
Personal property		104.4	97.0	95.0	93.5	28.7	16.1
Railroad and utilities		37.0	37.0	34.4	36.0	37.5	19.5
Total	\$	373.2	356.4	348.9	345.0	214.9	97.1

\* First year of statewide reassessment.

\*\* Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Scott County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,			
		2005	2004	2003	2002
General Revenue Fund	\$	0.1000	0.1000	0.1000	0.1000
Special Road and Bridge Fund *		0.2992	0.2992	0.2992	0.2989
Johnson Grass		0.0100	0.0100	0.0100	0.0100
Health Center Fund		0.1000	0.1000	0.1000	0.1000
Senate Bill 40 Board Fund		0.0400	0.0400	0.0400	0.0400

\* The county retains all tax proceeds from areas not within road districts. The county has two road districts that receive four-fifths of the tax collections from property within these

districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2006	2005	2004	2003
State of Missouri	\$ 112,539	109,250	105,391	103,785
General Revenue Fund	385,578	381,213	352,659	353,594
Assessment Fund	233,819	191,467	146,877	145,318
Health Center Fund	369,654	360,055	347,759	342,468
Senate Bill 40 Board Fund	147,861	144,022	139,103	136,988
Johnson Grass Fund	36,983	36,023	34,794	34,267
Roads	824,704	800,164	759,914	747,851
School districts	12,464,608	11,876,808	11,430,195	11,281,934
Library district	232,946	224,774	211,007	208,725
Ambulance district	1,043,652	1,013,308	940,022	926,584
Fire protection district	301,495	293,528	283,133	261,486
Water district	29	112	513	1,571
Tax Sale Surplus	0	6,494	27	3,528
Surtax	317,130	319,716	304,920	305,692
Tax Maintenance Fund	43,390	48,431	41,489	13,511
Special Drainage Districts	389,018	207,119	234,210	186,585
Cities	80,504	82,106	77,631	83,520
County Clerk	533	587	575	557
County Employees' Retirement	125,306	130,470	113,742	103,550
Interest	0	18,700	0	9,651
Commissions and fees:				
County Collector	8,037	4,249	4,775	3,814
General Revenue Fund	275,964	269,159	254,689	247,673
Total	\$ 17,393,750	16,517,755	15,783,425	15,502,652

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				
	2006	2005	2004	2003	
Real estate	93	93	92	93	%
Personal property	92	91	90	91	
Railroad and utilities	92	100	100	100	

Scott County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction	%
General	\$ .0050	None	50	
Law Enforcement	.0050	2008	None	

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2006	2005	2004	2003	2002
County-Paid Officials:	\$				
Martin Priggel, Presiding Commissioner		32,334	31,700	31,700	31,700
Walter Bizzell, Associate Commissioner			29,700	29,700	29,700
Jamie Burger, Associate Commissioner		30,294	29,700	29,700	29,700
Dennis Ziegenhorn, Associate Commissioner		30,294			
Tom Dirnberger, Recorder of Deeds		45,900	45,000	45,000	45,000
Rita Milam, County Clerk		45,900	45,000	45,000	45,000
Christy Baker-Neel, Prosecuting Attorney					55,000
Paul Boyd, Prosecuting Attorney		96,000	96,000	96,000	
William F. Ferrell, Sheriff			50,000	50,000	50,000
Rick Walter, Sheriff		51,000			
Glenda Enderle, County Treasurer		33,966	33,300	33,300	33,300
Scott C. Amick, County Coroner		16,320	16,000	16,000	16,000
Henry J. Holyfield, Public Administrator			45,000	45,000	45,000
Pam Dirnberger, Public Administrator		45,900			
Mark Hensley, County Collector (1), year ended February 28 (29),	54,243	49,399	49,775	48,814	48,742
Teresa Houchin, County Assessor (2), year ended August 31,		46,288	45,765	45,900	45,900

(1) Includes commissions from drainage districts of \$8,037, \$4,249, \$4,775, \$3,814, and \$3,808 for 2006, 2005, 2004, 2003, and 2002 respectively.

(2) Includes \$688, \$765, \$900, and \$900 compensation received from the state in 2005, 2004, 2003, and 2002 respectively.

State-Paid Officials:

Pam Glastetter, Circuit Clerk	48,500	47,900	47,300	47,300
David Mann, Associate Circuit Judge	96,000	96,000	96,000	96,000
William Winchester, Associate Circuit Judge	96,000	96,000	96,000	96,000

In April 2000, the county passed a half-cent sales tax for the purpose of constructing a new jail. Leasehold Revenue Bonds dated 2000 were issued in the original amount of \$4,995,000 for the purpose of constructing a new jail. Bond principal and interest are due annually on November 15 and May 15, respectively. At December 31, 2005, the county owed \$2,273,342 for the lease.